



Shifa  
International  
Hospitals Ltd.



# ANNUAL REPORT 2023









 **Shifa**  
International  
شفا انٹرنیشنل ہسپتال



# CONTENTS

## COMPANY'S OBJECTIVES 04

Financial Highlights	6
Company Information	8
Board of Directors	10

## DIRECTORS' REPORT

Chairman's Review	16
CEO's Message	18
Directors' Report	20
Directors' Report (Urdu)	69
Notice of Annual General Meeting (AGM)	71
Statement of Compliance	77

## FINANCIAL PERFORMANCE OF SIX YEARS & VALUE ADDITION

Six Years at a Glance	80
Horizontal Analysis	82
Vertical Analysis	84
Statement of Value Addition	86

## UNCONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Review Report	88
Independent Auditor's Report	89
Statement of Financial Position	96
Statement of Profit or Loss	98
Statement of Comprehensive Income	99
Statement of Change in Equity	100
Statement of Cash Flows	101
Notes to the Financial Statements	103

## CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report	169
Statement of Financial Position	174
Statement of Profit or Loss	176
Statement of Comprehensive Income	177
Statement of Change in Equity	178
Statement of Cash Flows	179
Notes to the Financial Statements	181

## SHAREHOLDERS' INFORMATION

Pattern of Shareholding	244
Proxy Form	







Shifa  
International  
شفا انٹرنیشنل

شفا انٹرنیشنل

ESTD 1980

SHIFA  
DENTAL  
CLINIC

Shifa Dental Clinic

NO  
PARKING



## OUR MISSION

Healthcare with compassion for all

## OUR VISION

To be the region's leader by providing quality healthcare services

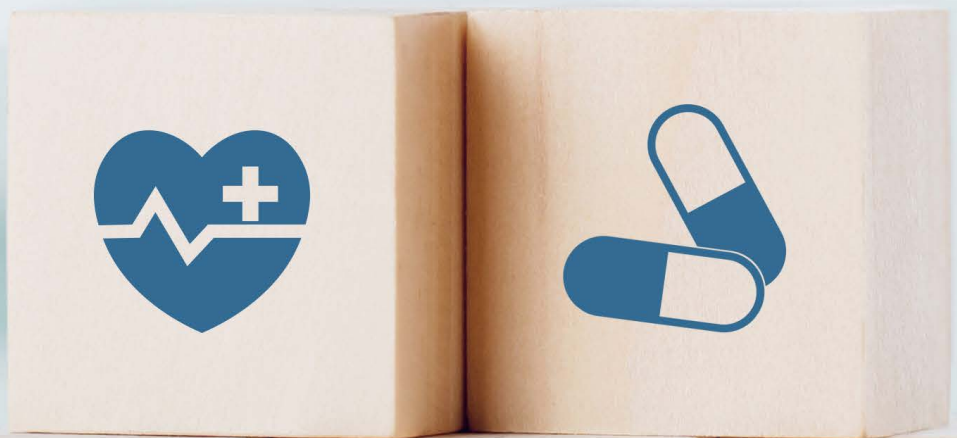
## OUR VALUES

Compassion, Commitment, Teamwork, Quality, Respect and Accountability

## OUR STRATEGIC PRIORITIES

- ▶ Physician Partnership and Enhanced Clinical Quality
- ▶ Provide Seamless/Easy Access Care Delivery
- ▶ Financial Strength/Viability
- ▶ Strategic Growth







# FINANCIAL HIGHLIGHTS

FOR THE  
FINANCIAL YEAR

# 2023

SIHL ACHIEVED  
PROFIT

---

**Rs. 1,181**  
Million

DEBT : EQUITY

# RATIO

---

**19:81**

---

CONTRIBUTION  
TO NATIONAL  
EXCHEQUER

---

**Rs. 2,379**  
Million

RETURN ON

# EQUITY

---

**11.5 %**

---





DIVIDEND  
**PAYOUT**

15%

EARNINGS PER  
**SHARE**

FOR THE FINANCIAL  
YEAR ENDED 2023

Rs. 18.69

TOTAL  
**ASSETS**

Rs. 18,463  
Million

INCREASE IN **NET  
REVENUE**

22%



# COMPANY INFORMATION

## BOARD OF DIRECTORS

**Dr. Habib Ur Rahman**  
Chairman

**Dr. Zeeshan Bin Ishtiaque**  
Chief Executive Officer

**Dr. Manzoor H. Qazi**  
Director

**Mr. Muhammad Zahid**  
Director

**Mr. Qasim Farooq Ahmad**  
Vice Chairman

**Dr. Samea Kauser Ahmad**  
Director

**Syed Ilyas Ahmed**  
Independent Director

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

**Dr. Mohammad Naseem Ansari**  
Independent Director

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

## AUDIT COMMITTEE

<b>Syed Ilyas Ahmed</b>	Chairman
<b>Dr. Habib Ur Rahman</b>	Member
<b>Dr. Samea Kauser Ahmad</b>	Member
<b>Mr. Javed K. Siddiqui</b>	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

<b>Syed Ilyas Ahmed</b>	Chairman
<b>Dr. Habib Ur Rahman</b>	Member
<b>Dr. Manzoor H. Qazi</b>	Member
<b>Dr. Mohammad Naseem Ansari</b>	Member
<b>Mr. Qasim Farooq Ahmad</b>	Member

## CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

<b>Dr. Manzoor H. Qazi</b>	Chairman
<b>Dr. Habib Ur Rahman</b>	Member
<b>Dr. Samea Kauser Ahmad</b>	Member
<b>Mr. Javed K. Siddiqui</b>	Member



## RISK MANAGEMENT COMMITTEE

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

## CHIEF OPERATING OFFICER

Mr. Taimoor Shah

## CHIEF MEDICAL OFFICER

Dr. Khawaja Junaid Mustafa

## CHIEF FINANCIAL OFFICER

Mr. Shams Ur Rehman Abbasi

## COMPANY SECRETARY

Mr. Muhammad Naeem

## HEAD OF INTERNAL AUDIT

Mr. Muhammad Saeed

## AUDITORS

M/s BDO Ebrahim & Co  
Chartered Accountants

## LEGAL ADVISOR

M/s Bashir Ahmad Ansari & Company

## SHARE REGISTRAR

M/s Corplink (Private) Limited

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

## REGISTERED OFFICE

Sector H-8/4, Islamabad

## BANKERS

Meezan Bank Limited  
Al Baraka Bank (Pakistan) Limited  
United Bank Limited  
Habib Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
MCB Bank Limited  
First Habib Modaraba  
Dubai Islamic Bank Limited  
Bank Al Habib Limited



# BOARD OF DIRECTORS



**Dr. Habib Ur Rahman**

**Chairman**

Joined the Board on May 08, 1988

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

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

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



**Dr. Zeeshan Bin Ishtiaque**

**Chief Executive Officer**

Joined the Board on March 31, 2023

Dr. Zeeshan Bin Ishtiaque is an accomplished healthcare leader with a rich background in healthcare management, quality assurance, and corporate leadership. He currently serves as the Chief Executive Officer of Shifa International Hospitals, a 500-bed, JCI-accredited multispecialty facility.

Throughout his career, Dr. Zeeshan has made notable contributions to the society at large. He actively contributes to various international bodies, national clusters, and policymaking forums, championing improved healthcare quality. His involvement with Shifa Foundation and projects in collaboration with the United Nations underscores his commitment to societal betterment. Furthermore, he has been deeply engaged with several government and non-government organizations, demonstrating his dedication to uplift communities.

Prior to his current role, Dr. Zeeshan served as the Chief Medical Officer, where he consistently raised the healthcare standards, provided strategic leadership, fostered a culture of excellence, and ensured strict compliance with international standards and regulations.

His global influence is also evident in his role as an International Physician Surveyor and Team Lead for Joint Commission International. With his expertise, he has conducted surveys in nearly 50 countries, making a significant impact on healthcare services and patient safety worldwide.

Dr. Zeeshan earned his MBBS from Nishtar Medical College Multan, Pakistan, in 2005. He later pursued an MD in 2009 and a DCPS-Healthcare Systems Management degree in 2011. He is recognized as a Fellow of the American College of Healthcare Executives, a Fellow of the American Board of Quality Assurance and Utilization Review Physicians, and holds the distinction of being a Certified Professional in Healthcare Quality.





### Dr. Manzoor H. Qazi

#### Director

Joined the Board on May 08, 1988

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

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

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



### Mr. Muhammad Zahid

#### Director

Joined the Board on May 28, 2009

Mr. Muhammad Zahid has versatile healthcare professional experience and is one of the founding members of the team that conceived and built Shifa International Hospitals Limited. His association with Shifa dates back to 1985 when a group of Pakistani Americans, mainly healthcare professionals, started developing the idea of a world-class hospitals chain in Pakistan — the country of their origin. A graduate of University of Karachi, Pakistan with major in pharmaceutical sciences, Zahid's expertise and practical career encompasses diversified areas including Healthcare Projects, Hospital Management and Leadership Development. He established and successfully ran healthcare related businesses in the USA for over 30 years. Simultaneously he remained associated with the landmark project of Shifa International Hospitals Islamabad; He played a role in different capacities ranging from roles in administration to major contribution in strategic development and growth of the Hospital as a member of the Board of Directors. As a founder member, he closely worked with Centre Research Inc. (a hospital design consultant firm in Princeton, New Jersey) in the design and development of the initial plan of the hospital to ensure realization of the founder team's concept. This involvement continued till the development of a master plan in 1989. Zahid then moved to Islamabad and gave valuable and lasting input in the development of business processes, procedures, systems development in different areas of the hospital, leadership development at different and diversified levels till 1997. His contribution in the development of this new hospital had far-reaching impact on the growth of the organization in the years to come and was highly commended by his colleagues. After playing his part in setting Shifa International Hospitals to a smooth sailing, Zahid returned to the USA in 1997 but always made himself available to the team at Shifa when and where needed to cope with the emerging business challenges. Towards the end of 2014, nevertheless, he bade farewell to his engagements in the USA and again returned to Islamabad at a time when Shifa needed him to explore new areas and develop new sites.



# BOARD OF DIRECTORS



**Mr. Qasim Farooq Ahmad**

**Non-Executive Director**

Joined the Board on April 02, 2010

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

- Shifa CARE (Private) Limited

Mr. Qasim Farooq Ahmad brings young blood and new dimension to the Board of Shifa International Hospitals. He did his Bachelor of Science in Information Systems and Bachelors of Arts in Economics from Stony Brook University, Stony Brook NY. He furthered his education with a Master of Science degree in Computer Science from Columbia University, New York, in 2007. He has over 20 years of diverse experience in the technology sector focusing on production systems engineering with a strong background in software engineering. This Page 4 of 7 includes 7 years of extensive experience working with high volume financial and reporting applications for companies on Wall Street such as Lehman Brothers and Barclays Capital. Current major responsibilities include change management, incident management, performance planning, capacity planning, business continuity planning and disaster recovery, Sarbanes Oxley compliance and vendor management for all Fund Systems which includes the Front, Middle and Back Office applications. His previous experiences as the lead developer for the NYC Law Department include analysis, design, development and implementation of different technical projects.



**Dr. Samea Kauser Ahmad**

**Non-Executive Director**

Joined the Board on October 13, 2011

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

- Shifa Development Services (Private) Limited
- Shifa Medical Center Islamabad (Private) Limited
- Shifa National Hospital Faisalabad (Private) Limited

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





### **Syed Ilyas Ahmed**

#### **Independent Director**

Joined the Board on May 28, 2015

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



### **Prof. Dr. Shoab Ahmed Khan**

#### **Non-Executive Director**

Joined the Board on May 28, 2015

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



# BOARD OF DIRECTORS



**Dr. Mohammad Naseem Ansari**

**Independent Director**

Joined the Board on May 28, 2015

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



**Mr. Javed K. Siddiqui**

**Independent Director**

Joined the Board on August 09, 2019

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





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# Chairman's Review



As we navigate the ever-evolving landscape of healthcare, it is my privilege to address you once again as the Chairman of the Board of Shifa International Hospitals Limited. Writing this piece reminds me of the previous year's message when we were seeing the tail end of the COVID-19 catastrophe and hoping for a brighter future. In hindsight, today, I am grateful for having a smoother year and pleased to reaffirm our commitment to both our mission and the principles that guide us.

Despite the economic challenges that have persisted, we remain steadfast in our dedication to serving humanity with compassionate quality care while ensuring that we do not fall short of our obligations towards the stakeholders. The resilience displayed by our healthcare professionals and staff during these trying times is nothing short of commendable. Their unwavering commitment to providing the highest quality care to our patients is a testament to their dedication.

In addition to our healthcare mission, we've taken significant steps towards environmental stewardship: understanding the importance of adopting renewable energy resources – I am proud to announce that; indeed, we have made substantial progress in this regard. Through embracing sustainable practices – we not only safeguard our planet and precious resources but also contribute towards future generations' well-being.



A significant change took place in the third quarter of last year when we welcomed a new CEO, Dr. Zeeshan Bin Ishtiaque, to lead our institution. I would like to seize this opportunity to express my heartfelt gratitude to our outgoing CEO, Dr. Manzoor H. Qazi, for his exceptional leadership and foresight. Under his guidance, we achieved remarkable milestones in uplifting care standards and thus helped strengthen the organization's sustainability. His legacy will continue to inspire us.

Now, as we welcome Dr. Zeeshan, I have full confidence in his ability to steer us toward new horizons and further elevate our institution. His fresh perspective and innovative approach will undoubtedly drive us towards continued success.

In closing, I want to extend my heartfelt thanks to all of you - our stakeholders, shareholders, business partners, consultants and employees, and the community. Your unwavering trust and support have been the cornerstone of our success. Together, we shall remain committed to our mission of providing exceptional healthcare services while contributing to a more sustainable and healthier future for all.

Thank you for being a part of our journey, and I look forward to a year filled with growth, resilience, and compassion.


Long Live Pakistan



**Dr. Habib Ur Rahman**

Chairman  
Islamabad

September 30, 2023



// **Despite the economic challenges that have persisted, we remain steadfast in our dedication to serving humanity with compassionate quality care while ensuring that we do not fall short of our obligations towards the stakeholders.**



# CEO's Message



// Shifa's journey is a testament to the fact that broader vision and the ability to see beyond the obvious yet temporary hurdles kept us afloat.

## Assalamu Alaikum

It is with great honor, as well as a heavy sense of responsibility, that I am penning these lines as the third Chief Executive Officer of the Shifa International Hospitals Limited. Following this page, you will find the Directors' Report and the Financial Statements of your company – narrating key operating highlights and the significant numbers – for the year ended June 30, 2023. Therefore, I won't delve much into the past and would like to share my thoughts about the years ahead.

When I assumed my current responsibilities on the last day of third quarter, I knew it was much more than leading and managing a hospital alone. Having already served 17 years in this wonderful organization had given me ample insight into the unique nature of the business and related challenges. I was fortunate to have worked directly with the dreamers and the founders of SIHL. This proximity offered me a vivid idea about the legacy that now I am a custodian of and an heir to.

The inspiring presence of the Shifa International Hospitals Limited in a corner of the capital city is what appears to onlookers and passersby as a modern hospital. We, nevertheless, realize that beauty is only skin deep. We know what makes this building a no-brainer choice for quality seekers is the care being given behind these walls. We are aware of the amount of blood, sweat and tears put in and the number of sleepless nights spent by everyone involved, from the founders to an employee serving a patient on the floor, which have given Shifa the identity of a modern quality healthcare hub. Goes without saying that the journey wasn't an easier one. It took the best out of us and with our heads bowed in gratitude to Allah Subhanhu Wa Ta'ala, we are mindful of our challenges to keep the journey going.



I am happy to share that our challenges aren't incompatible with our responsibility towards our valued shareholders and their aspirations. The two go in unison. Our incessant quality pursuit is what makes Shifa second to none and thus results in strengthening and safeguarding the equity. We are in the JCI survey year for the third consecutive accreditation for the Gold Seal of Quality. I assure you that we are fully prepared to make you proud by bringing home honors; once again.

In this unprecedented economic crunch at home and across the globe, as a nation with largest youth bulge, we can see unemployment and subsequent decreasing affordability gripping the communities. On the other hand, we also observe this dilemma that besides unemployment, the unemployability is as serious a concern. This complicates our challenge for the skilled human resource. We are focused on addressing this by imparting quality training and education through our in-house arrangements and other members of the Shifa Family.

Shifa's journey is a testament to the fact that broader vision and the ability to see beyond the obvious yet temporary hurdles kept us afloat. We never shied away from undertaking challenges with due diligence and fine tweaking our strategy when needed to adapt to the changed circumstances. We shall follow the path.

Difficult times aside, I firmly believe we can thrive in a competitive environment. Therefore, getting Shifa JCI accredited is just one part; we shall explore possibilities and unfold our strategy to bring more and more healthcare organizations at par with international quality standards. It shall not only raise the bar for everyone and improve the care standards for the patients to benefit, rather it will position Shifa as the market leader in the realm of quality healthcare.

I would like to stop here and leave rest for all of us to observe and evaluate in the months and years to come, in line with the dreams and the legacy that Shifa International Hospitals limited is an epitome of.

In conclusion, I would share the meaning of a Hadith of Prophet Muhammad sallallahu alayhi wa sallam in this blessed month of his birth that shall be our guiding principle in the times to come. The gist of the said Hadith means that one whose two days are equal is a loser. I assure you in the light of these golden words, we shall keep striving for making every day better than the previous one. May Allah Subhanhu Wa Ta'ala bless us all and guide us the right path, amen!



**Dr. Zeeshan Bin Ishtiaque**

Chief Executive Officer  
Islamabad  
September 30, 2023



Your Company was able to  
increase revenue by 22% as  
compared with last year



# Directors' Report

The Directors of your Company are pleased to present the Annual Report with the audited financial statements of the Company for the year ended June 30, 2023.

## FINANCIAL PERFORMANCE

A brief financial analysis is presented as under:

Operating Results	Year ended June 30		
	2023	2022	Change in %
	(Rs. in '000')		
Revenue - net	19,721,425	16,197,551	22
Other Income	617,015	637,429	(3)
Operating Cost	(17,872,504)	(14,791,977)	21
Profit before taxation	1,946,201	1,591,502	22
Profit after taxation	1,181,406	1,162,549	2
Earnings per Share - Rupees	18.69	18.39	2

Your Company was able to increase revenue by 22% as compared with last year. In line with the growth in revenue the operating cost has also increased from Rs. 14,792 million to Rs. 17,873 million.

The Company's earnings per share increased to Rs. 18.69 from Rs. 18.39 per share as compared with last year despite challenging operational circumstances, including deteriorating economic and political situations, a considerable devaluation of the local currency, rise in policy rate, import restrictions, unprecedented inflation, and an increase in direct and indirect taxes.

## RETURN TO SHAREHOLDERS

The Directors have recommended a final cash dividend @ 15 % (Rs. 1.50 per share) for the year 2022-23 subject to approval by shareholders in Annual General Meeting of the Company.

## CONTRIBUTION TO THE NATIONAL EXCHEQUER

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

Sr. No.	Description	(Rs. in '000')
1	Direct Taxes	538,198
2	Indirect Taxes	700,779
3	Tax deducted and deposited from suppliers, employees, etc.	1,140,333
Total		2,379,310

## PRINCIPAL ACTIVITIES, DEVELOPMENT & PERFORMANCE

Our last financial year focused on improving existing clinical and financial performance while making continuous small and sustained improvements to our existing service lines. This has meant a greater focus on overall patient experience while keeping the quality of care being provided as the cornerstone.

A significant milestone in expanding our care services was the partial acquisition and integration of eSHIFA (Shifa Integrated Healthcare Technologies) by Shifa International Hospitals Ltd. This has allowed Shifa to continue in its mission to provide care services throughout the region via telemedicine facilities and expand diagnostic services. With added outreach centers and an expanded care network, Shifa aims to fulfill its mission of providing "Healthcare with Compassion for all".

To facilitate patients and improve overall efficiency, the hospital began its complete shift to Electronic Medical Records (EMR). All of SIH OPDs started converting to electronic systems during this financial year after hospital-wide deployment of new EMR modules. This has meant that improvements in patient care, record keeping and care coordination can be made significantly and integration of patient care within the hospital and beyond can be achieved seamlessly.

Shifa Clinical Research Center (SCRC) has been revamped and expanded within the last financial year to increase the number of trials at the hospital. It received subsequent reviews and accreditations from relevant authorities including DRAP. Our aim is to provide clinical trials that are localized to the Pakistani population to minimize clinical risks and to meet their ever-evolving healthcare requirements. Multiple studies are currently underway such as COP-AF with Population Health Research Institute, LIVZON trial, ALVOEYE with Alvo Tech among others. We aim to continue increasing our capacity and providing state-of-the-art clinical research platforms.

As a testament to our patient-centered approach, SIH introduced an electronic Complaints Management System (CMS) that allows SIH to track and respond to all patient complaints and queries in real-time. This means there is not only greater visibility of overall patient issues but faster resolutions to them as well. We aim to utilize this enhanced visibility of patient issues to continue improving our services and ensure our patients receive the best care possible.

To further cement our Quality Improvement Plan (QIP), Shifa International Hospitals Ltd. updated clinical pathways for IPD and ER patients to ensure standardized care is provided to patients. This QIP will continue to enhance further for the next financial year and is discussed further below.

While switching to newer modalities, great caution has been taken to ensure that overall care parameters of existing services are able to retain their trajectory. The expansion and renovation of our OPD capacities have further achieved a sustained rise in patient volumes.







## FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT & PERFORMANCE

As we roll out OPD EMR at SIH, we are also making changes to our clinical workflows to optimize efficiency for the next financial year. Key areas of focus for this include improving discharge times through electronic discharges that will provide timely access to medical records and improve care coordination. Similarly, a planned introduction of IPD EMR by the end of the year will further cement this process and allow to further streamline our care processes.

The organization expects a Joint Commission International (JCI) Survey to take place in the last quarter of the current calendar year. We are excited for the opportunity to demonstrate our compliance and dedication to patient care. This will be Shifa's 3rd JCI survey and we are committed to the principles of Continuous Survey Readiness (CSR) by ensuring all our processes are compliant at all times.

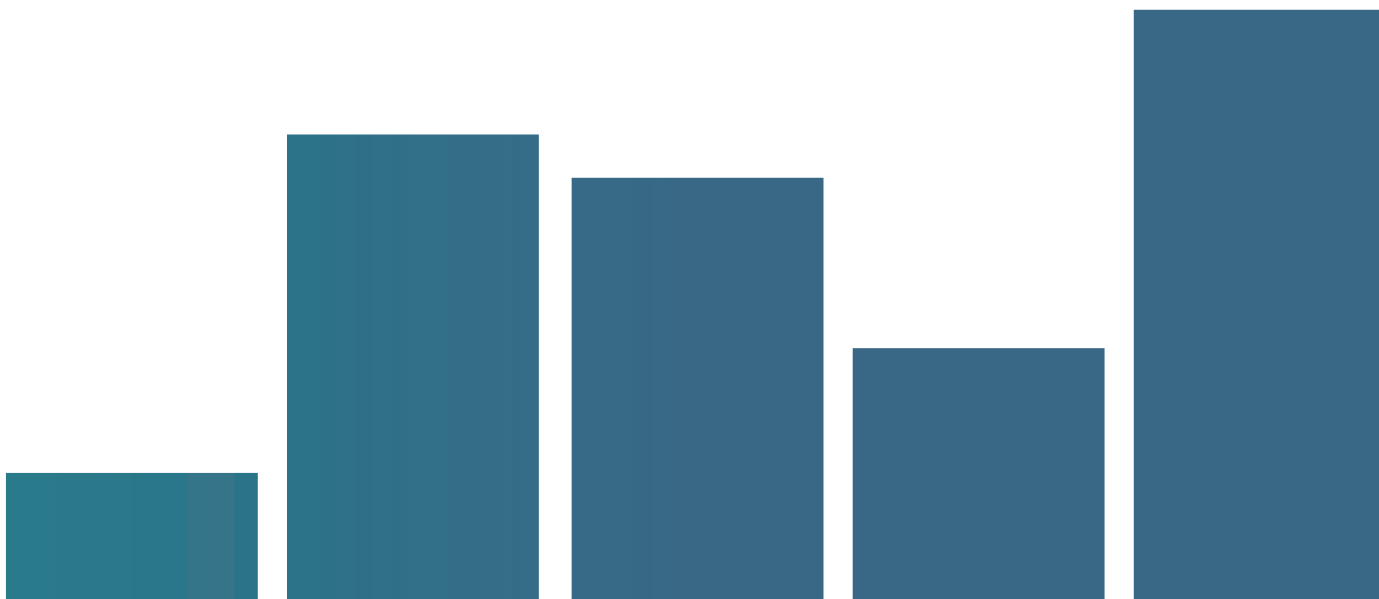
Within these planned activities, there remain some challenges for the organization in the next financial year. The difficult financial climate of the country remains at the top of this list. The economic challenges have impacted both organizations and patients alike. The declining purchasing power of Pakistanis and the rising cost of doing business mean that healthcare, which is already a neglected area in

Pakistan, faces additional hurdles. As these pressures go up, providing quality healthcare services in a cost-effective manner will require prioritization from our side.

On a more positive note, the physical expansion of SIH with the addition of Dar ul Shifa to our facilities will have a continued positive influence in the next financial year. We foresee improvement in numbers in our new OPDs at Dar ul Shifa and expansion in the number of patients that can be accommodated in our Pain Clinics, Neurology and Psychiatry services. In addition, the newly functional IPD areas at Dar ul Shifa provide additional bed revenue to the hospital and their occupancy continues to improve.

Similarly, for the main H-8 facility the reorganization of OPDs continues to improve efficiency and improve patient flow. One key area of planned improvement is the expansion of our endoscopy suite which will enhance capacity for Gastroenterology procedures. In addition to this, Chemo Daycare has seen a significant increase in its numbers after facility renovation and enlargement. A similar renovation is being planned for Dialysis, including new software optimization to improve patient flow and convenience.

Renovations of remaining OPDs and the addition of new consultants, for instance in Nephrology, Medical Oncology, Gastroenterology etc. continue to improve patient numbers. Further planned increases in these will take place throughout the year to ensure that our capacity to care for our patients is only strengthened.





## BUSINESS DECISIONS FOR THE NEXT FINANCIAL YEAR

Clinical expansion in various areas will continue in the next financial year with inclusion of new Consultants, extension of existing services and introduction of specialized services such as Genetics and Lung Transplant for our patients. Moreover, the hospital has continued to expand its outreach services with the help of eSHIFA and ensures that our services are available to patients regardless of where they reside.

This step will continue to improve patient satisfaction at SIH and allow us to provide holistic care to all our patients within the hospital and at their doorsteps.

To improve patient experience, the hospital will continue to renovate its OPD areas and improve patient flow throughout the facility. This next financial year will continue on the trajectory of electronic records, with a planned release of IPD EMR to strengthen care for our admitted patients. The overall synergy we hope to achieve will greatly impact patient experience within the healthcare system and

allow us to continue caring for our patients beyond the hospital with Home Healthcare services.

To reduce costs, the hospital aims to review its existing processes and improve efficiency measures further. This will not only improve the cost of providing care but also ensure that patients remain our utmost focus.

Expansion of in-patient facilities will be ongoing at Dar ul Shifa, allowing for SIH to expand its care capacity. For services outside the hospital, SIH continues to partner with eSHIFA to ensure that we are able to provide our patients with multiple sites of access to healthcare facilities. Consolidation of some of these facilities, for example F-11 Medical Center with G-10 Medical Center, further allows us to improve on outcomes and ensure that all our modalities of care are located under one roof.

We remain dedicated to ensuring the best possible care for our patients within the hospital and beyond. Our outreach clinics and their increasing role in caring for our patients will reduce the burden on patients for visiting the hospital and provide care closer to their respective residences.



# PRINCIPAL RISKS AND UNCERTAINTIES

The Board is responsible for the identification and effective management of risks faced by the Company. Described below are the principal risks that could affect the Company's business and performance.

Risk and Uncertainties	Mitigation
<b>Competition Risk</b> As a reputable hospital providing healthcare services, we operate in a competitive healthcare industry where other healthcare facilities and providers vie for patients and medical practitioners.	Differentiation in services, enhancement of patient experience, quality, hiring/contracting of skilled physicians and retention, investment in technology and continuous improvement help to minimize the impact of competition risk.
<b>Supply Chain Disruption</b> Shifa relies on a complex global supply chain, and disruptions may occur in this due to natural disasters, geopolitical events, or logistical challenges could affect production and timely delivery of goods.	We maintain strategic stockpiles of critical components, establish alternative sourcing options, and conduct risk assessments to identify potential vulnerabilities in the supply chain. Close collaboration with suppliers and periodic supply chain audits ensure resilience and continuity.
<b>Financial Risks and Liquidity Challenges</b> Economic uncertainties, fluctuating exchange rates, or cash flow issues may impact financial performance and liquidity.	We maintain a strong financial position, conduct rigorous financial planning and scenario analysis, and implement hedging strategies to manage currency and interest rate risks. Prudent cash flow management and ongoing monitoring of financial indicators help ensure stability.
<b>Regulatory and Compliance Risks</b> Non-compliance with laws, regulations, or industry standards could result in legal penalties, fines, and reputational harm.	We have a dedicated compliance team that monitors regulatory changes. Policies and procedures are reviewed and updated to align with current regulations. Staff training and clear communication channels ensure adherence to compliance requirements.
<b>Obsolete Technology</b> Shifa International Hospitals Ltd. faces the risk of using obsolete technology in medical facilities and administrative systems due to rapid technological advancements in the health care industry. The fast-paced nature of technological changes poses a challenge in keeping our technology up-to-date and relevant.	We actively monitor the latest technological developments in the health care industry through continuous research and engagement with technology experts. We carefully assess technology vendors and contract terms to ensure that our technology investments are future-proofed. We prioritize vendors who offer scalable solutions and long-term support. The company mitigates the risk of obsolete technology through proactive technology monitoring, partnerships, and investments.
<b>Cyber Security</b> Company faces the risk of cybersecurity threats, data breaches, and disruptions in digital infrastructure.	We invest in robust cybersecurity measures, conduct regular security assessments, and provide ongoing employee training on data security best practices. Disaster recovery plans and incident response protocols help minimize the impact of potential cyber incidents.
<b>Operational Risks</b> Financial loss and reputational damage may happen if internal processes, human errors, or system failures occur. These risks can lead to operational inefficiencies, customer dissatisfaction, and potential compliance issues	Shifa has a well maintained system of robust internal controls that include segregation of duties, dual approvals for critical processes, and regular internal audits. These controls help prevent and detect errors, reducing the risk of financial loss, reputational damage and potential compliance issues.



## BUSINESS EXPANSION

Newly renovated Nephrology OPD, Chemo Daycare and renovated Gastroenterology and Dermatology Clinics allowed the hospital to increase its footfall in the outpatient setting. Further renovations and reorganizations have been planned for the next financial year. The key drivers of growth and development in this pursuit of clinical services expansion and reorganization primarily include:

### Chemo Daycare Expansion

Chemo daycare services have been expanded to better serve the rising catchment of cancer patients. The reorganization resulted in an increase in treatment chairs from 18 to 30 and extended operational hours.

### Gastro OPD Expansion

The expansion involved development of new revenue-generating clinical space with 8 Doctor Rooms and, Waiting Area for 35 persons, along with all associated requirements such as an Assessment Room, Changing Rooms, Tea Room, Store, separate Toilets for Consultants, Staff, and Visitors and Reception Counter.

### Surgical Clinic Expansion

Surgical care is globally considered a crucial component of healthcare. Surgical services at SIH are aimed to expand to better deliver quality care across a wide range of surgical specialties under the supervision of a multidisciplinary team and a collaborative approach to quality patient care. As a part of expansion, the existing clinic area is upgraded with the addition of 7 consultant rooms.

### Medical Oncology Clinic Expansion

With an emerging and potentially significant disease burden of cancer in Pakistan, it is anticipated that this burden will increase in the times to come due to the growing and aging population, and behavior

and lifestyle factors that lead to cancer. An add-on medical oncology clinic has been established in the vacated pain clinic area (shifted to DUS). This expansion with the addition of 04 Consultant rooms and associated services has led to accommodate growing oncology patients in the hospital including breast cancer, skin cancer, lung cancer, colon cancer, prostate cancer, and lymphoma.

### Nephrology OPD Clinic Expansion

SIH strives to provide unparalleled clinical services ranging from procedures, i.e., renal biopsy to therapeutic modalities. In this regard, nephrology OPD has been relocated to vacated neurology clinic area (shifted to DUS) for better patient flow and facilitation.

### Extension of ER Pediatrics Unit

ER Pediatrics Unit has undergone significant expansion to serve young patients and their families in a more effective way. With the addition of 2 new bed spaces, we have successfully increased the total bed capacity to 9.

### Multidisciplinary Tumor Board

The Multidisciplinary Tumor Board was enhanced by integrating several additional specialties including Neurosurgery and Urology. The board's procedures were streamlined with central administrative monitoring to facilitate effective care plan discussions. Through an online booking and case discussion module, SIHL aims to provide the best care to patients with complex oncological multi-modality requirements including, radiation, medical and surgical oncology. Furthermore, our EMR modules will increase visibility for medical records and diagnostics which will further improve planning for complex cases.

## Commissioning of Dar-ul-Shifa IPD Services:

The operationalization of Dar-ul-Shifa (Shifa Neurosciences Institute) on the basement and ground floors was successfully completed during 2021-2022. The Outpatient Department (OPD) setting at Dar-ul-Shifa Neurosciences has greatly facilitated patients in several ways. Previous space constraints in the old building have been addressed. The new OPD setting is significantly larger and more spacious, allowing for the creation of dedicated assessment rooms, conference rooms, a lab point, and registration counters. This has made it easier for patients to access the care they need and has also helped to reduce wait times, making patient visits more convenient and comfortable.

With the newly introduced specialty of Medical Genetics, patients with genetic disorders and their families will be facilitated with ease of access. Moreover, the addition of a pediatric neurologist to the staff will enable us to better serve the needs of the pediatric population. Expansion to the new

Dar-ul-Shifa building has allowed SIH to continue offering specialized care with improved access to our services. Additionally, evening clinics have been set up as a regular feature at the hospital to provide convenience for our patients and patrons, resulting in increased patient intake after 5 pm on weekdays.

During the second phase, IPD Services with 16 beds in private ward configuration has been initiated in Dar-ul-Shifa (Shifa Neurosciences Institute) for neuro patients and interrelated specialties. This initiative aims to improve patient flow and reduce burden during peak hours, ultimately enhancing the overall patient experience.

Dar-ul-Shifa (Shifa Neurosciences Institute) has extended its pharmacy services to now cater to both IPD and OPD patients. This initiative aims to enhance patient access to medications and elevate the overall patient experience. The pharmacy is staffed by experienced pharmacists who are committed to providing quality care to all patients.

As a result of these interventions, Shifa International Hospitals Ltd. has exceeded its OPD, diagnostic and other targets for this year.







## EMPLOYMENT OF SPECIAL PERSONS

The organization places paramount prioritization on upholding its obligations towards both its workforce and the wider community. This steadfast commitment is demonstrated through its resolute focus on providing equitable opportunities for individuals with disabilities to integrate into the workforce and ascend within the organization seamlessly. Presently, the organization takes immense pride in welcoming 20 employees with disabilities, a testament to its unwavering dedication to fostering diversity and inclusivity in the workplace.

This commitment extends beyond mere compliance with legal and ethical mandates. By including employees with disabilities, the organization harnesses the enriching benefits of a diverse workforce. It enhances the team's creativity, innovation, and problem-solving capabilities by drawing from a wider pool of perspectives and life experiences. Moreover, the integration of employees with disabilities serves as a catalyst for promoting a compassionate and empathetic work culture, where every individual's unique strengths are celebrated and contributions acknowledged.

## BUSINESS ETHICS & ANTI-CORRUPTION MEASURES

At Shifa International Hospital, we strongly believe in doing business with the utmost integrity and fighting against corruption at every turn. These values are not just rules we adhere to out of obligation; they constitute the fundamental essence of our identity and the principles we uphold. We ensure that our commitment to doing the right thing is woven into everything we do.

We trust all our employees, no matter where they work, to understand and follow the ethical and legal guidelines that steer our business. We give them the knowledge and tools which always guide them towards making honest choices.

Our Code of Conduct, approved by our board of directors, is like our ethical rulebook. It spells out the principles and rules that shape our ethical standards and acts as a guide for our staff.

We know that creating a culture of honesty and openness starts from the top, so our senior management is right there leading the way. They make it clear to everyone involved, from our hardworking staff to our trusted suppliers and partners, that we won't tolerate corruption in any form. Our leaders also lead by showing good ethics and working diligently to ensure our organization stays clear and truthful.



## CSR ACTIVITIES UNDERTAKEN BY THE COMPANY

As part of our CSR responsibilities, Shifa International has been fulfilling its role of healthcare leadership in the region. This has included consultations on quality improvement activities for hospitals and healthcare systems in Pakistan. An example of this was Shifa's visit to Gilgit-Baltistan hospitals to assess their status and assist in improvement planning.

Similarly, our teams have been working with Khyber Pakhtunkhwa Healthcare Commission to improve standardization of care through systematic oversight, education and awareness. Audit mechanisms were also set up to enhance care delivery in secondary and tertiary care setups. This collaborative effort will ensure the exchange of best practices at a large scale across Khyber Pakhtunkhwa.

As a continued CSR activity, SIH Emergency Department personnel have continued participating in Life Support training activities within the Islamabad region and beyond. These include visits to the Gilgit-Baltistan region for training by the department.





# OTHER ACTIVITIES UNDERTAKEN DURING THE YEAR 2022-2023

## ENERGY CONSERVATION

Following are the ongoing and future energy conservation projects:

### Renewable Energy Production

SIH has installed a PV Solar system for generating electricity through renewable energy source as Islamabad has an enormous potential to receive solar radiation throughout the year. This system's total volume is 900 KW and is an effort towards energy decarbonization and environmental sustainability.

### Energy Monitoring System

Energy Management System has been successfully commissioned to analyze, monitor and optimize energy process, assess energy system in real-time and ensure that the system is running in the best condition with optimized energy balance.

### Electricity Conservation through Waste Heat Recovery Boilers

To limit the dependency on conventional fuel sources and embrace environmental stewardship, SIH is utilizing the unexploited Heat Energy from Gensets. During power generation from Gas Gensets (03), heat energy is recovered by transforming the dissipated heat energy from flue gas stream of gas generators into steam via waste Heat Recovery Boilers. The inexhaustible waste energy source significantly reduces gas emissions and eventually results in resource recovery.

## ENVIRONMENTAL PROTECTION MEASURES

### Environmental Monitoring and Legal Compliance

- Ongoing environmental monitoring as per Self-Monitoring and Reporting Tool (SMART) Program, EPA, compliance with National Environmental Quality Standards, (NEQS) and guideline is ensured for Indoor Air Quality, Stack Emission Monitoring, Drinking Water Analysis, (Potable/ Non-Potable), Wastewater Analysis, Legionella, Distilled Water, Ash Analysis, and Surface Swab
- Boilers Inspection as per Boiler Ordinance 2002
- Radiation Safety Inspection: Implementation of PNRA regulatory Requirements
- Inspection of Electrical Installation as per Electricity Act 1937
- Monthly Waste Report Submission to Pak-EPA as per HWMR, 2005

### In-House Environmental Monitoring

Indoor Air Quality monitoring is conducted on a periodic basis throughout the hospital for parameters including Temperature, Humidity, Oxygen Level, Lower Exposure Limits (LEL), CO<sub>2</sub>, CO, Light Levels, Noise Levels, Formaldehyde, and TVOC.

Moreover, the Electrical Conductivity, Salinity, TDS, and Microbial Water Quality of potable and RO-processed water are analyzed to ensure patients, staff, attendants, and visitors safety.

Indoor ambient air parameters that are maintained according to ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) standards include air changes per hour (ACH) and cubic feet per minute (CFM).

## Water Conservation

SIH is dedicated to promoting sustainable water management and usage by adopting effective water conservation practices. In this regard, a Reject Water Treatment System has been installed to treat the concentrate generated by the Drinking Water Treatment System. This setup enables the treatment of water up to a volume of 170 m<sup>3</sup>/month.

Furthermore, the Sprinkler Irrigation system at SIH is playing a significant role in water conservation, achieving up to 40% water savings compared to conventional gravity flow systems.

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

SIH seeks to adopt environmental stewardship through various environmental conservation measures, explained above, for socially conscious and sustainable business practices. Moreover, following measures have been taken in this regard:

### Hazardous Material and Waste Management

Pakistan is a signatory to various international agreements, including the Minamata Convention, Rotterdam Convention, Basel Convention, and Stockholm Conventions. These agreements share the common objective of protecting human health and the environment from hazardous materials and

waste. In this regard, SIH strives to ensure the proper management of hazardous materials and waste as per Hospital Waste Management Rules 2005, both within hospitals and the broader community. SIH maintains an impeccable waste management system meticulously designed to minimize the environmental footprint by implementing globally recognized and best evidence-based practices.

### Environmental Management and Monitoring Plan

Continuous Monitoring and Surveillance are provided for the below mentioned projects to ensure mitigation as per the management and monitoring plan:

- Mitigation and Monitoring during PV Solar Project Installation and Commissioning as per "Environmental and Social Impacts and Mitigation Measures"
- Ongoing Environmental Monitoring as per "Environmental Management Plan" for Hospital Waste Incinerator
- Ongoing Environmental Monitoring as per "Environmental Management Plan" for Waste Heat Recovery Boiler
- Ongoing Mitigation measures during commissioning and decommissioning of Ash Burial Site as per Environment and Social Screening of Burial Pit.

### Waste Reduction

Recyclables and reusable items are segregated at point of generation and are subsequently transferred to the Recyclables Storage area. Recyclables are outsourced to municipality approved vendors and hence amount of waste ending upon the dumping site is reduced.



# OCCUPATIONAL SAFETY AND HEALTH

## OCCUPATIONAL HEALTH /MEDICAL MONITORING

SIH has designed a medical monitoring program through which various medical tests are carried out yearly to ensure safe and efficient service delivery. Employees undergo several types of vaccinations as part of departmental and hospital protocols viz a viz infection control and patient safety. These vaccinations/tests in response to occupational hazard and exposure are applicable based on the following categories and specific to each departmental need:

- Direct Patient Care Providers
- Indirect Patient Care Providers

## FACILITY MANAGEMENT & SAFETY (FMS) ONLINE TRAINING AND AWARENESS ASSESSMENT

FMS awareness target was achieved in last quarter, and a comprehensive change in quality and quantity of awareness changed to achieve desired awareness based on the intent of JCIA.

**Radiation Dose Monitoring** through film badges for Staff working in the Radiology Department as an ongoing Occupational Health Surveillance Activity.

**Medical Monitoring of Food Handlers (164)** at the time of hiring and on a yearly basis including Chest X-ray, CBC profile, Throat Swab C/S, Nasal swab C/S, Stool C/S, Stool R/E, HBs Ag, Hepatitis C Virus Ab (HCV). Moreover, vaccination for Typhoid (After 2 years), Meningitis Vaccination (10 Years), Hepatitis Vaccination (After 5 years) is also carried out as per policy for Medical Screening of Medical Staff

**Occupational Health and Safety Plans** including Occupational Health & Safety Manual, Safety Management Program, Fire Safety Management Program, Hazardous Material & Waste Management Program, Laser Safety Program, Radiation Safety Program

**Revision of Hazardous Material (HAZMAT)** Index Sheets and Inventory list Hospital-wide as per Global Harmonized System of Classification and Labelling of Substances (2015)

**Development of Hazardous Waste Inventory** incorporating details on type of hazardous waste being generated from respective departments along with its quantification

**Capacity Building of Staff on Occupational Health and Safety** which includes Disaster Management, Safety Management, Hazmat & Waste Management,



Utilities Management, Medical Technology Management, Fire Safety Management, Internal and External Emergencies etc.

## ISO 45001:2018 SURVEILLANCE AUDIT

2-day Surveillance audit conducted by SGS on "Occupational Health & Safety Management System" of Shifa International Hospitals Ltd. Islamabad as per International Organization for Standardization Standard 45001:2018. The audit team concluded that the organization has established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

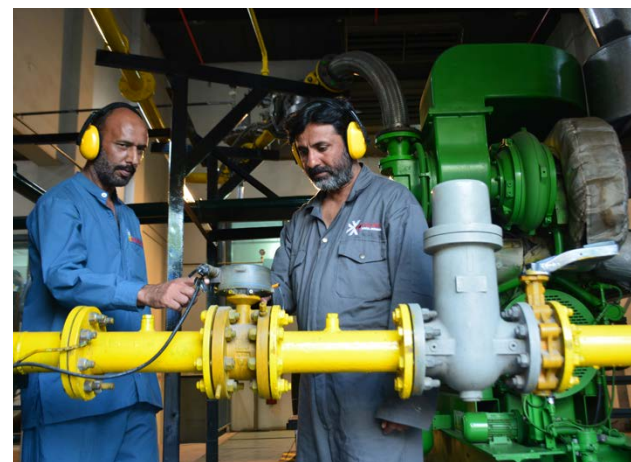
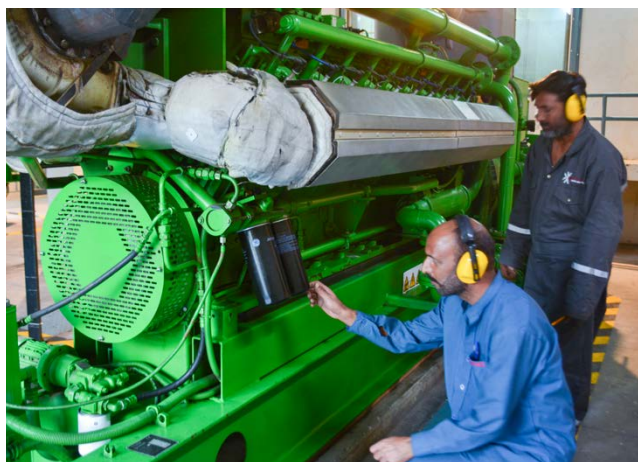
## FLEET MANAGEMENT SYSTEM

Vehicle tracking system has been implemented in all pool vehicles for fleet performance improvement and monitoring. The system allows to ensure online tracking on minute to minute basis and has led to improvement in driver skills and conduct. This initiative has resulted in safe driving practices and hence the safety of Staff commuting in SIH transport.

## Safety Program(s)

Hospital implements comprehensive safety programs to ensure the safety of infrastructure, and the well-being of patients, staff, and visitors. These detailed safety programs, manuals and plans, listed below, pertain to different areas and roles as evident by their titles.

- Fire Safety Management Program
- Hazardous Material and Waste Management Program
- Occupational Health and Safety Management Manual
- Safety Management Program
- Environment Health and Safety Manual
- Disaster Management Program
- Laser Safety Program
- Laboratory Safety Program
- Radiation Safety Program





# SAFETY AND SECURITY

The safety and security of patients, visitors, staff and students is of paramount importance at SIH. Security monitoring systems are in place throughout the hospital to protect humans and the facility.

## DEPLOYMENT OF SECURITY STAFF: - SECURITY STAFF DEPLOYED IN THREE LAYERS

- **Outer perimeter and Gates:** Gates, which are manned by guards where personnel and vehicles are checked coming in and going out as per the level of security alert.
- **Middle Layer – Hospital Entrances:** Entrances, which are manned by deployment of male & female guards where personnel and materials are checked coming in and going out as per the level of security alert.
- **Inside the Hospital and Rooftop:** Wards, which are manned by deployment of male & female guards where personnel and materials are checked coming in and going out as per the level of security alert. Wards and other areas without guards are electronically controlled and monitored by surveillance staff along with regular patrolling and timely response to any security emergency call. For deterrence, Armed guards are deployed at the rooftop and watch tower on the boundary wall.



# CORPORATE PHILANTHROPY

In the fiscal year 2022-23, Shifa Foundation continued to fortify its commitment to corporate philanthropy, recognizing it as a cornerstone of our mission to bring about positive change in the society. Our strategic partnerships with corporate entities and organizations proved instrumental in catalyzing our efforts to provide essential services in healthcare, education, and relief to those in need.

## STRENGTHENING COMMUNITIES THROUGH PARTNERSHIP

Our corporate philanthropic efforts yielded remarkable results during this fiscal year. We are pleased to share some key facts and figures related to our corporate partnerships:

- 1. Total Corporate Partnerships:** We established partnerships with 27 leading corporate entities across various sectors, ranging from healthcare to technology and finance.
- 2. Funds Raised:** Through these partnerships, we successfully raised a total of PKR 76 million, earmarked for different programs and initiatives.
- 3. Impactful Initiatives:** The corporate funding was directed towards a diverse range of initiatives, including healthcare camps, vaccination drives, school construction, and emergency relief efforts.
- 4. Healthcare Reach:** With the support of our corporate partners, we provided free healthcare services to over 32,000 individuals in remote and underserved areas.
- 5. Educational Advancement:** Corporate funding enabled the construction of two new schools, providing access to quality education for 680 underprivileged children.
- 6. Emergency Response:** During natural disasters and health crises, our corporate partnerships allowed us to respond swiftly, providing relief to 5,000 affected families.

## EXPRESSING GRATITUDE

We extend our heartfelt gratitude to our corporate partners who joined hands with us in the spirit of philanthropy and social responsibility. Our corporate philanthropic endeavors in 2022-23 have reinforced the idea that by working together, we can address our society's complex challenges. These partnerships are not just transactions; they are the embodiment of our shared values and commitment to creating a more equitable and compassionate world.

## COMMUNITY INVESTMENT AND WELFARE SCHEMES

Shifa Foundation maintained its dedication to community investment and welfare schemes. Our commitment to community investment and welfare schemes was exemplified through several key initiatives and their impact:

- 1. Healthcare Access:** We continued to provide crucial healthcare services to marginalized populations. Through mobile medical camps and community health centers, we reached over 60,000 individuals who otherwise had limited access to medical care.
- 2. Educational Support:** We expanded our educational support initiatives, offering scholarships to 250 deserving students, ensuring that they could pursue their academic dreams despite financial constraints.
- 3. Nutrition Programs:** With a focus on combating malnutrition, we provided nutritional support to 10,000 children and pregnant women, bolstering their health and overall development.
- 4. Emergency Relief:** In response to natural disasters and unforeseen crises, we mobilized swiftly to provide relief assistance, including food, shelter, and medical aid, to affected communities.



## RURAL DEVELOPMENT PROGRAMS:

Rural development remained a central pillar of Shifa Foundation's mission. We recognized the pivotal role that rural communities play in our nation's development, and our programs were designed to empower these communities with the tools and opportunities necessary for sustainable growth. Our commitment to rural development spanned various sectors, including healthcare infrastructure, education facilities, and livelihood support. Through these initiatives, we endeavored to bring about positive and enduring transformations in rural areas.

1. **Healthcare Infrastructure:** We continued to invest in upgrading and establishing healthcare facilities in rural areas, ensuring that quality medical services were accessible to those living far from urban centers.
2. **Education Facilities:** Recognizing the importance of education as a catalyst for change, we worked to improve and expand educational institutions in rural regions, promoting literacy and skill development.
3. **Livelihood Support:** Our livelihood support programs aimed to enhance the economic prospects of rural households. We provided training and resources for sustainable agricultural practices, helping families secure their livelihoods.
4. **Infrastructure Development:** We supported the construction and maintenance of essential infrastructure, including roads, clean water sources, and sanitation facilities, vital for improving living conditions.



# Consumer Protection Measures

## PERIODIC REVIEW OF MANAGEMENT SYSTEMS

SIH being ISO 45001:2018 (Occupational Health and Safety Management System), ISO 900: 2015 (Quality Management System) and ISO 22001:2015 (Food Safety Management System) certified underwent review of management system by SGS at regular intervals to ensure continuing suitability, adequacy and effectiveness as per the requirements of ISO and JCI respectively.

Besides continuing monitoring and compliance to ensure consumer protection in all operations, various reviews, rounds, audits, are regularly undertaken and detailed plans are strategies, as listed below, are in place for protecting our valuable consumers:

- Internal Quality and Safety Audits
- Environmental/Facility Inspection Rounds
- Hazard Vulnerability Analysis and Risk Assessment
- Medical Monitoring of Employees
- Occupational Health and Safety Management Manual
- Medical Gases Purity Analysis
- Disaster Management







## CODE OF CONDUCT



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

## WHISTLE BLOWING POLICY



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

## GRIEVANCE POLICY



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

# AWARDS AND RECOGNITION

## HIGHEST EMPLOYMENT GENERATOR

The role of Shifa International Hospital Islamabad (SIH) as a contributor to the social and economic well-being of the communities has been recognized by a nomination as the highest employment generator by the Islamabad Chamber of Commerce & Industry (ICCI). Honorable Dr. Arif Alvi (President, Islamic Republic of Pakistan) presented the award to Mr. Taimoor Shah (Chief Operating Officer, SIH) at the ICCI 5th Business Excellence Awards Ceremony held at Aiwan-e-Saddar, Islamabad on July 21st, 2022. As part of the evaluation, the ICCI award committee has rigorous criteria for reviewing and collecting data from credible sources, i.e., Ministry of Labour & Manpower, Government of Pakistan, to assess the outlook and impact of an organisation as a leading employment generator.

## MANAGEMENT ASSOCIATION OF PAKISTAN (MAP)

Shifa International Hospital has achieved the 9th consecutive corporate excellence award in the healthcare sector by the Management Association of Pakistan (MAP). Mr. Muhammad Zahid (Executive Director and Member, BOD, SIH) received the award from Mr. Miftah Ismail former federal minister of finance, who was the chief guest of the 37th MAP Excellence Awards ceremony in Karachi.

## CORPORATE GOVERNANCE AWARD

Shifa International Hospital won the award for having the best corporate governance practices in the healthcare sector Dr. Manzoor H. Qazi (ex-CEO SIH) on the occasion, reiterated the organization's commitment to providing quality healthcare and the latest medical technologies to the people of Pakistan.

## ISMP

Shifa International Hospital has been selected as a winner at The 25th Annual Cheers Awards by the Institute for Safe Medication Practices (ISMP) for using camera-assisted verification for chemotherapy admixture services while working with constrained funding. The pharmacy services team had to make sure that the right ingredients & their amounts were confirmed before being added to the final chemotherapy IV bag to adhere to ISMP's Targeted Medication Safety Best Practices for Hospitals. The group implemented a practical & cost-effective solution without adding to the hospital's financial burden. This successful project at Shifa International Hospital shows what healthcare institutions can do to minimize errors even if they cannot afford cutting-edge technology such as gravimetric analytical tools, barcodes, robotic applications, & IV workflow software.

## LAUNCHING CEREMONY OF ID VERIFICATION SERVICE

Shifa International Hospital & National Database & Registration Authority (NADRA) inked an agreement on the provision of an identity verification solution that would authenticate the patients as well as donors of organ transplantation.





# BOARD OF DIRECTORS

The total number of Directors of the Company are 11 (10 elected and 1 ex-officio) whereas one position of director is vacant due to the resignation of Dr. Renondin as listed below:

- a. Male: Nine (9)
- b. Female: One (01)

The Board derives its powers and obligations from various provisions contained in the Memorandum & Articles of Association of the Company, Companies Act, 2017 ("the Act"), the Code and other relevant laws. The Board met nine (09) times during the year ended June 30, 2023.

The Board is comprised of three independent, one executive and one female director as of the date of directors' report as detailed below:

Category	Names
<b>Independent Directors</b>	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
<b>Non-Executive Directors</b>	Dr. Habib Ur Rahman Dr. Manzoor H. Qazi Mr. Muhammad Zahid Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad Prof. Dr. Shoab Ahmed Khan Dr. Jean-Christophe Maurice Charles Renondin*
<b>Executive Directors</b>	Dr. Zeeshan Bin Ishtiaque (Chief Executive Officer – Ex Officio Director)

\* Dr. Jean-Christophe Maurice Charles Renondin resigned on August 29, 2023

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

## BOARD AUDIT COMMITTEE

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

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

Every member of the BAC possesses exceptional qualifications. BAC met nine times during the year under review.

The BAC's Terms of Reference (ToRs) have been developed in accordance with the guidelines outlined in the Code, and the committee operates in alignment with these provisions. The ToRs encompass various responsibilities, such as establishing systems to protect Company assets, ensuring the maintenance of sufficient accounting records, overseeing internal controls and risk management, ensuring compliance with regulatory and legal requirements, and reviewing periodic financial statements, among other duties. While this list of ToRs is comprehensive, the BAC is also open to addressing any other issues or matters as assigned by the Board to fulfill its ultimate goal of safeguarding the Company's interests. The Chairman of BAC conveys the committee's observations and recommendations to the Board.

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

The Terms of Reference (ToRs) mandate that the HR & R Committee's main focus is to evaluate compensation packages necessary for attracting and retaining executive directors and senior personnel, in accordance with market standards, regulatory requirements, and stakeholder interests. Furthermore, a noteworthy provision stipulates that a majority of the HR & R Committee members must be non-executive directors, including at least one independent director. Similarly, the Chairman of the HR & R Committee is also required to be an independent director. The HR & R Committee functions in accordance with approved ToRs.





## CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

The Corporate Governance & Nominations (CG & N) Committee as of the date of directors' report is composed of the following members:

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

The Terms of Reference (ToRs) for the CG & N Committee encompass various responsibilities. However, the foremost aim of the committee is to assess the Board's structure, size, and composition, considering factors such as evolving business landscapes and geographical expansion. It is tasked

with making recommendations to the Board for any necessary changes in these areas. Additionally, the committee is responsible for overseeing corporate and regulatory compliance.

## RISK MANAGEMENT COMMITTEE

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

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

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

## FREQUENCY & ATTENDANCE OF BOARD & AUDIT COMMITTEE MEETINGS

During the year under review, a total of nine (09) meetings for the Board of Directors and nine (09) meetings for the Audit Committee respectively were held through video link and in person. The attendance of the Directors is as under:

Name of Director	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended
Dr. Habib Ur Rahman	9	8
Dr. Manzoor H. Qazi	9	N/A
Mr. Muhammad Zahid	9	N/A
Mr. Shafquat Ali Chaudhary	1	N/A
Mr. Qasim Farooq Ahmad	9	N/A
Dr. Samea Kauser Ahmad	9	9
Syed Ilyas Ahmed	9	9
Prof. Dr. Shoab Ahmed Khan	9	N/A
Dr. Mohammad Naseem Ansari	9	N/A
Mr. Javed K. Siddiqui	9	9
Dr. Zeeshan Bin Ishtiaque	4	N/A
Dr. Jean-Christophe Maurice Charles Renondin	-	N/A

- Mr. Shafquat Ali Chaudhary resigned as the director of the Company w.e.f. February 25, 2023 and during his tenure as the director four board meetings were held during the year under review. He was granted a leave of absence for three Board meetings due to his overseas commitments.
- Dr. Jean-Christophe Maurice Charles Renondin (Nominee of International Finance Corporation) was appointed as the director of the Company on May 24, 2023 in place of Mr. Shafquat Ali Chaudhary. However, Mr. Renondin resigned on August 29, 2023.
- Dr. Zeeshan Bin Ishtiaque was appointed Chief Executive Officer of the Company on March 31, 2023 in place of Dr. Manzoor H. Qazi. Since his appointment till the financial year ended June 30, 2023 four meetings of the board of directors were held.

## BOARD EVALUATION

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

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

## DIRECTORS' REMUNERATION

The Board of Directors of the Company approves and fixes the remuneration of the Board members in accordance with the Articles of Association of the Company, the Act and the Code. The details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. have been disclosed in Note No. 38 of the Financial Statements.





## TRADING OF SHARES

During the year, one director sold 64,759 shares and the Chief Executive Officer purchased 41,720 number of shares of the Company. Besides this, no other trading was performed by the Directors, Executives, their spouses and minor children. The Pakistan Stock Exchange is regularly updated on trading of Company's shares by directors, executives etc.

## PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2023 was 2,422 as against 2,340 on June 30, 2022. The pattern of shareholding as of June 30, 2023 is included in this Annual Report.

## DIRECTORS' TRAINING PROGRAM

Eight out of ten Directors (80%) have completed the Directors' Training Program (DTP) as laid down under Regulation 19(1) of the Code. The detail of the certified directors is as under:

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

The non-mandatory criteria laid down under sub-regulation 19(1) (iii) of the Code could not be met as out of the three remaining Directors, one could not take-up the DTP, during the year under review, as he resides in the U.S.A. The other two directors include a newly co-opted director as of May 25, 2023 who subsequently resigned on August 29, 2023 and the newly appointed Chief Executive Officer of the Company who has been appointed with effect from March 31, 2023. Chief Executive Officer has time of one (01) year to acquire the directors' training program certification. Moreover, the Company also arranged DTP for a male & one female executive as required under the sub-regulation 19 (3) (i) of the Code.

## CORPORATE BRIEFING SESSION

After the introduction of new reforms by the Pakistan Stock Exchange encouraging sound corporate governance practices and in compliance with the mandatory requirement of holding corporate briefing by listed companies, a Corporate Briefing Session was held through video link for the investors and shareholders of the Company on November 01, 2022. A detailed presentation was given on the Company's performance and financial results for the year 2022 followed by a brief on the Company's future plans by the management of the Company. The management satisfactorily answered all the questions and queries raised by the participants during the session.



## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors hereby confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") for the following matters:

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

## RELATED PARTY TRANSACTIONS

All the related party transactions have been approved by the Board of Directors in accordance with the Company's policy on the related party transactions. The Company maintains a complete record of all such transactions, along with the terms and conditions. The disclosure of such related party transactions has been given at Note 37 of the Notes to the Financial Statements.

## GRATUITY FUND

Note 11.5 of the Notes to the Financial Statements reflects the value of investment of Gratuity fund account.

## MATERIAL CHANGES

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

## STATUTORY AUDITORS OF THE COMPANY

The Board of Directors, as recommended by the Audit Committee, has proposed the re-appointment of M/s BDO Ebrahim & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2024.



## SUBSIDIARY/ASSOCIATED COMPANIES

As on June 30, 2023 the detail of the subsidiary/associated undertakings of the Company along with percentage shares held in each subsidiary/associated undertaking is as under:

Sr. No.	Name of the Company	Status	%age of Shares held by Shifa
1.	Shifa Development Services (Pvt.) Limited	Subsidiary	55%
2.	Shifa CARE (Pvt.) Limited	Associated	50%
3.	Shifa Medical Center Islamabad (Pvt.) Limited	Subsidiary	56%
4.	Shifa Neuro Sciences Institute Islamabad (Pvt.) Limited	Wholly Owned Subsidiary	100%
5.	Shifa National Hospital Faisalabad (Pvt.) Limited	Subsidiary	61%
6.	Shifa International DWC-LLC	Wholly Owned Subsidiary	100%

### UPDATE OF SUBSIDIARY/ ASSOCIATED COMPANIES

#### Shifa Development Services (Pvt.) Limited (SDS)

In light of the challenging economic climate, SDS, a company specializing in the design and construction of hospitals, encountered significant obstacles in securing agreements for new projects beyond SMCI and SNHF. Given the unviable nature of this situation, a decision was reached in August to initiate management reductions as part of a strategic effort to curtail overhead expenses. The Board of Directors will deliberate on the path forward in the coming period to determine the best course of action for the SDS' future endeavors.

#### Shifa CARE (Pvt.) Limited (SCPL)

SCPL continued working on the development and deployment of state of the art Healthcare Supply Chain Management (HSCM), which is a comprehensive system comprising independent-operate-able modules including:

- Catalogue
- Inventory Management system
- Warehouse management system
- Sourcing suite

- Supply network
- Supplier relationship management
- Fixed Asset management
- Logistics
- Material requirement planner

Each of those modules are independently operate-able and businesses can use them in any combination of need. Supply chain systems are in huge demand these days, configurable and customizable system provide business flexibility and scalability. Along with the development and deployment of HSCM, SCPL is engaged in analysis of POS for wide spectrum business needs.

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

Keeping in view the inflation and Rupee devaluation impact on the Project Cost, the Board of SMCI; after working upon various options of operating and financing the Project and after due deliberation decided to discontinue and sell the Project. Accordingly, the Board of SIHL has decided to divest its investment in its subsidiary namely SMCI. The Sale proceeds of SMCI will be invested into SNHF which is co-owned by both SIHL and Interloop Holdings (Private) Limited (ILH).

## Shifa National Hospital Faisalabad (Pvt.) Limited (SNHF)

During the reporting year, the construction activities of the hospital continued. With rising costs of construction and medical equipment in the International Market; which have been exacerbated due to rupee devaluation, the Board is facing an uphill task of managing the escalated project cost and completion of the project. The management is evaluating various options of operating the project and will revert to the shareholders at an appropriate time for their approval as and when required.

## Shifa Neuro Sciences Institute Islamabad (Pvt.) Limited (SNSI)

SNSI's core activity involves establishing and managing state-of-the-art neurosciences institute, offering a wide range of healthcare services. In the past year, SNSI generated rental income from leasing its building to the Company for neurosciences services. The Board of Directors is proactively exploring a variety of options to diversify the company's income streams. A wide array of strategies and opportunities is currently under consideration and efforts will be dedicated to implementing the most sound and viable long-term solution for the benefit of SNSI and the Group.

## Shifa International DWC-LLC (SIDL)

SIDL was established in 2019 under a free zone license issued by Dubai Aviation City Corporation. The principal activities to be performed under the license are Project Management and Marketing services. The company has been pivotal in enhancing SIHL reach to International

Clientele seeking Affordable and Quality healthcare services in Pakistan. It has liaised with International Insurers and TPAs along with facilitation agents for patient referral facilitation & treatment at Shifa International Hospitals Ltd. Islamabad. Some of the major clients include Cigna International, Allianz, Bupa Arabia, International SOS, IMA France. Under

the licensed portfolio of activities, SIDL regularly conducts Marketing activities to promote the expertise and achievements of SIHL. In addition to regular marketing activities, SIDL has represented SIHL at the "Organ Donation and Transplantation Conference" held in Abu Dhabi by SEHA and SEHA Kidney Care from Nov 7-9 2022. Dr. Muhammad Ayaz Khan and Dr. Farooq Afzal represented SIHL for progress and achievements in Renal and Corneal Transplantation, respectively. In collaboration with Urology Society, Oman, SIDL organized a CME on "Solid Organ Transplant" in Muscat on 15th February, 2023. Along with Omani delegates, Dr. Muhammad Ayaz Khan & Dr. Nusrat Yar Khan gave presentations on Pediatric renal and living donor liver transplant respectively.

## OPERATING & FINANCIAL DATA

Summary of key operating and financial data of last six years is annexed in this report.

## COMPANY'S WEBSITE

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

## FUTURE BUSINESS OUTLOOK

In alignment with the mission and vision to provide the best healthcare services, the organization with its subsidiaries plans to attain Joint Commission International Enterprise Accreditation within the current calendar year. This goes above and beyond Shifa's current JCI Hospital Accreditation and further signifies the dedication of Shifa International Hospitals Ltd. to deliver optimum care.

Through collaboration with Sultan Qaboos Comprehensive Cancer Care and Research Centre Oman, Shifa International Hospitals Ltd. looks forward to exchanging best practices in regard to cancer care. Further mutually beneficial programs to





enhance Research and Educational activities through Shifa Clinical Research Centre and Shifa Tameer-e-Millat University respectively are in plan, for which the finalization of a Memorandum of Understanding is underway.

Our Operational Plan for the next financial year takes a more in-depth approach and focuses on the two most important pillars for holistic care; our patients and our people. In furtherance to this, multiple new quality indicators were added in clinical and managerial categories to emphasize the measurable aspects of optimum patient care and satisfaction.

Coordination of care for patients is another area of focus, for which a collaborative approach with regional facilities is being developed through MoUs for safe patient transfers highlighting and ensuring compliance with standards of care during transitions. This step will prove to be highly beneficial for high-risk transfers of critical patients.

As mentioned above, with upcoming Dar-ul-Shifa IPD additions Shifa is aiming to increase its capacity to cater to its patient base and continue fulfilling its role as a regional leader. Additionally, with renovation and revamping of our OPDs we aim to ensure that all of our patients are facilitated equally.

## ACKNOWLEDGEMENT

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

On behalf of the Board

**DR. ZEESHAN BIN ISHTIAQUE**

Chief Executive Officer

ISLAMABAD

September 30, 2023

**DR. MANZOOR H. QAZI**

Director

# ڈائریکٹر رپورٹ

افضل نے کورنیا کی پیوندکاری کے سلسلے میں پیشرفت اور کامیابیوں پر شفا انٹرنیشنل ہسپتال کی نمائندگی کی۔ یورالوجی سوسائٹی عمان کے اشتراک سے ایس آئی ڈی ایل نے 15 فروری 2023 کو مسقط میں ”سائلڈ آرگن ٹرانسپلانٹ“ پر سی ایم ای منعقد کی۔ عمانی وفد کے ساتھ ڈاکٹر محمد ایا زخان نے بچوں کے گردوں اور ڈاکٹر نصرت یارخان نے جگر کی پیوندکاری کے زندہ ڈونرز کے حوالے سے پریزنٹیشنز دیں۔

## آپریٹنگ اور فنانشل ڈیٹا

پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ لگا دیئے گئے ہیں۔

## کمپنی کی ویب سائٹ

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

## مستقبل کا کاروباری منظر نامہ

گہداشت صحت کی بہترین سہولیات فراہم کرنے کے مشن اور وژن سے ہم آہنگ ادارہ موجودہ مالی سال میں اپنے ذیلی اداروں کے ساتھ جوائنٹ انٹرنیشنل کمیشن انٹرپرائز کی ایکریڈٹیشن حاصل کرنے کا منصوبہ رکھتا ہے۔ انٹرپرائز کا حصول شفا کے موجودہ جی آئی ایکریڈٹیشن سے آگے کی چیز ہے اور یہ شفا انٹرنیشنل ہسپتال کے اس عزم کا اظہار ہے کہ وہ اعلیٰ ترین سطح پر اپنی خدمات پیش کرنا چاہتا ہے۔

سلطان قابوس کمپری ہینسوکینسر کیئر اینڈ ریسرچ سینٹر کے اشتراک سے شفا انٹرنیشنل ہسپتال کینسر کے علاج میں بہترین طریقوں کو بروئے کار لانے کا خواہاں ہے مزید برآں شفا کلینیکل ریسرچ سینٹر اور شفا تعمیر ملت یونیورسٹی کے ذریعے ایسی تحقیقی اور تعلیمی سرگرمیوں کا منصوبہ بھی زیر غور ہے جو دونوں اداروں کے باہمی مفاد میں ہو۔ اس کے لیے میمورینڈم آف انڈرسٹینڈنگ تیاری کے مراحل میں ہے۔

اگلے مالی سال کے لیے ہمارا آپریشنل پلان زیادہ گہرائی کا حامل ہے اور یہ دواہم اور کلیدی گہداشت کے پہلوؤں ”مریضوں اور عوام“ کا احاطہ کرتا ہے۔ مزید برآں کلینیکل اور انتظامی شعبوں میں کوالٹی کیئر کے نئے اشاریے شامل کئے گئے ہیں تاکہ مریضوں کی اعلیٰ ترین گہداشت اور ان کے اطمینان کے قابل پیکائش تجربے کو یقینی بنایا جاسکے۔

ہماری توجہ کے ارتکاز کا ایک اور پہلو مریضوں کی دیکھ بھال میں کوآرڈینیشن ہے۔ اس کے لیے خطے کے دیگر اداروں کے ساتھ ایم او یوز کے ذریعے اشتراک کی حکمت عملی اختیار کی جا رہی ہے۔ اس کا مقصد یہ ہے کہ بوقت ضرورت مریضوں کو ایک سے دوسری جگہ بحفاظت منتقل کیا جاسکے اور اس دوران ان کی بہتر دیکھ بھال کے معیار کو یقینی بنایا جاسکے۔ یہ اقدام سنگین طبی مسائل کے شکار ان مریضوں کے لیے بہت فائدہ مند ہوگا جنہیں اس منتقلی کے دوران نقصان پہنچنے کا زیادہ اندیشہ ہوتا ہے۔

جیسا کہ پہلے ذکر کیا جا چکا ہے دارالشفاء کے اضافے کے بعد شفا انٹرنیشنل ہسپتال اپنی استعداد کو بڑھا رہا ہے تاکہ زیادہ سے زیادہ مریضوں کو گہداشت صحت فراہم کی جاسکے اور اس خطے میں اپنا قائدانہ کردار جاری رکھا جاسکے۔ اس کے ساتھ ساتھ شعبہ ہیرونی مریضوں کی ترمیم و آرائش کے ذریعے ہم اس بات کو یقینی بنانا چاہتے ہیں کہ تمام مریض سہولیات سے یکساں استفادہ کر سکیں۔

## اعتراف

بورڈ تمام چیلنجوں کے باوجود ہموار اور مستقل معیار کی نگہداشت صحت فراہم کرنے کے لیے انتھک کوششوں پر کنسلٹنٹس، مینجمنٹ اور عملے کو تہہ دل سے خراج تحسین پیش کرتا ہے۔ بورڈ شیئر ہولڈرز، بینکرز، مریضوں اور ریگولیٹرز کا بھی شکریہ ادا کرتا ہے جنہوں نے ہم پر مسلسل اعتماد کیا اور ہمارے کاموں میں مدد کی۔

محمد مسعود

ڈاکٹر منظور امجد قاضی  
ڈائریکٹر

محمد امجد

ڈاکٹر ذیشان بن اشتیاق  
چیف ایگزیکٹو آفیسر

اسلام آباد  
30 ستمبر 2023ء



☆ فلسفہ اثاثہ جات کا انتظام

☆ لائسنس

☆ درکار مواد کی منصوبہ بندی کا ماڈیول

ان میں سے ہر ماڈیول آزادانہ طور پر کام کرنے کے قابل ہے اور انہیں ضرورت پڑنے پر مجموعی طور پر بھی استعمال کیا جاسکتا ہے۔  
سپلائی چین سسٹمز کی ان دنوں بہت زیادہ مانگ ہے۔ گاہک کی ضرورت کے مطابق ڈھالے جانے کے قابل یہ سسٹم بزنس کو چلک اور توسیع پذیر فرما رہا ہے۔  
ایچ ایس سی ایم کی تیاری اور اطلاق کے ساتھ ساتھ ایس سی پی ایل مختلف النوع کاروباری ضروریات کے لیے پی او ایس کے تجزیے میں مصروف ہے۔

### 3- شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمیٹڈ (ایس ایم سی آئی)

پراجیکٹ کی لاگت پر افراط زر اور روپے کی قدر میں کمی اثرات کو مد نظر رکھتے ہوئے، ایس ایم سی آئی کے بورڈ؛ پروجیکٹ کو چلانے اور فنانسنگ کے مختلف آپشنز پر کام کرنے کے بعد پراجیکٹ کو بند کرنے اور فروخت کا فیصلہ کیا۔

اس کے مطابق، بورڈ آف ایس آئی ایچ ایل نے اپنی ذیلی کمپنی ایس ایم سی آئی میں سرمایہ کاری کرنے کا فیصلہ کیا ہے۔ ایس ایم سی آئی کی فروخت سے حاصل ہونے والی رقم ایس آئی ایچ ایل اور انٹرلوپ ہولڈنگز (پرائیویٹ) لمیٹڈ (آئی ایل ایچ) کی مشترکہ ملکیت کمپنی ایس این ایچ ایف پر لگائی جائے گی۔

### 4- شفا نیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ (ایس این ایچ ایف)

رپورٹنگ سال کے دوران ہسپتال کی تعمیراتی سرگرمیاں جاری رہیں۔ بین الاقوامی منڈی میں تعمیراتی اور طبی آلات کی بڑھتی ہوئی قیمتوں کے ساتھ جو روپے کی قدر میں کمی کی وجہ سے بڑھ گئی ہیں، بورڈ کو پروجیکٹ کی بڑھتی ہوئی لاگت کو سنبھالنے اور پروجیکٹ کی تکمیل کے مشکل کام کا سامنا ہے۔ مینجمنٹ پروجیکٹ کو چلانے کے مختلف آپشنز کا جائزہ لے رہی ہے اور ضرورت پڑنے پر منظوری کے لیے ایک مناسب وقت پر حصص دارن کے پاس واپس بھیج دے گا۔

### 5- شفا نیوروسائنسز انسٹی ٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ۔ ایس این سی آئی

ایس این ایس آئی کی بنیادی سرگرمیوں میں جدید ترین نیوروسائنسز انسٹی ٹیوٹ کا قیام اور انتظام شامل ہے، جس میں صحت کی دیکھ بھال کی وسیع خدمات پیش کی جاتی ہیں۔ پچھلے ایک سال میں، ایس این ایس آئی نے اپنی عمارت لیز پر دینے سے کرائے کی مدد کو کمپنی میں نیوروسائنسز خدمات کے لیے حاصل کی۔ بورڈ آف ڈائریکٹرز کمپنی کی آمدنی کے سلسلے کو متعارف کرانے کے لیے متعدد اختیارات کو فعال طور پر تلاش کر رہا ہے۔ حکمت عملی اور مواقع کی ایک وسیع صف فی الحال زیر غور ہے اور ایس این ایس آئی اور گروپ کے فائدے کے لیے انتہائی مستحکم اور قابل عمل طویل مدتی حل کو نافذ کرنے کے لیے کوشش وقف کی جائے گی۔

### 6- شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی

ایس آئی ڈی ایل کا قیام 2019 میں دی ایویشن سٹی کارپوریشن کے جاری کردہ فری زون لائسنس کے تحت عمل میں لایا گیا۔ اس لائسنس کے تحت پروجیکٹ مینجمنٹ اور مارکیٹنگ سروسز سے متعلق نمایاں سرگرمیاں انجام دی گئیں۔ پاکستان میں شفا انٹرنیشنل ہسپتال لمیٹڈ کی مناسب قیمت پر اور معیاری ہیلتھ سروسز کو بین الاقوامی مریضوں تک پہنچانے میں کمپنی کا کردار کلیدی ہے۔ اس نے شفا انٹرنیشنل ہسپتال لمیٹڈ میں مریضوں کو ریفر کرنے اور انہیں سہولیات فراہم کرنے کے لیے بین الاقوامی انشورنس کمپنیوں، ٹی پی ایز اور سہولت کار نمائندوں کے ساتھ رابطہ کیا ہے۔ اس کے کچھ اہم کلائنٹس سگنا انٹرنیشنل، علی ناز برپا، عربیہ انٹرنیشنل ایس او ایس اور آئی ایم اے فرانس ہیں۔ لائسنس پورٹ فولیو کے تحت ایس آئی ڈی ایل اپنی مہارتوں اور کامیابیوں کی ترویج کے لیے باقاعدگی کے ساتھ مارکیٹنگ سرگرمیاں کرتا ہے۔ مارکیٹنگ سے متعلق اپنی معمول کی سرگرمیوں کے علاوہ ایس آئی ڈی ایل نے 7 ستمبر 2022 کو ایس ای ایچ اے اور ایس ای ایچ اے کڈنی کیئر کے تحت ابوظہبی میں منعقدہ ”آرگن ڈونیشن اینڈ ٹرانسپلانٹیشن کانفرنس“ میں شفا انٹرنیشنل ہسپتال لمیٹڈ کی نمائندگی کی۔ ڈاکٹر محمد ایاز خان نے گردوں اور ڈاکٹر فاروق

# ڈائریکٹرز رپورٹ

## کمپنی کے قانونی آڈیٹرز

آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے میسرز بی ڈی اداہراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

## ذیلی اور منسلک کمپنیاں

30 جون 2023 تک کمپنی کے ذیلی ادارے/اس سے وابستہ انڈر ٹیکنگ کی تفصیل کے ساتھ ساتھ ہر ذیلی کمپنی/اس سے وابستہ انڈر ٹیکنگ میں رکھے گئے فیصد شیئرز کی تفصیل درج ذیل ہے۔

نمبر شمار	کمپنی کا نام	نوعیت	شفا انٹرنیشنل ہسپتال لمیٹڈ کے حصص (فیصد)
1	شفا ڈیولپمنٹ سروسز (پرائیویٹ) لمیٹڈ	ذیلی کمپنی	55
2	شفا کیئر (پرائیویٹ) لمیٹڈ	منسلک کمپنی	50
3	شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمیٹڈ	ذیلی کمپنی	56
4	شفا نیوروسائنسز انسٹیٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ	کلی ملکیت ذیلی کمپنی	100
5	شفا انٹرنیشنل ہسپتال فیصل آباد (پرائیویٹ) لمیٹڈ	ذیلی کمپنی	61
6	شفا انٹرنیشنل ڈی ڈبلیو سی۔ ایل ایل سی	کلی ملکیت ذیلی کمپنی	100

## ذیلی / منسلک کمپنیوں پر اپ ڈیٹ معلومات

### 1۔ شفا ڈیولپمنٹ سروسز (پرائیویٹ) لمیٹڈ۔ ایس ڈی ایس

مشکل معاشی آب و ہوا کی روشنی میں، ہسپتالوں کے ڈیزائن اور تعمیر میں مہارت حاصل کرنے والی کمپنی، ایس ڈی ایس کو ایس ایم سی آئی اور ایس این ایچ ایف سے آگے نئے منصوبوں کو حاصل کرنے میں نمایاں رکاوٹوں کا سامنا کرنا پڑا۔ اس صورتحال کی ناقابل تردید نوعیت کے پیش نظر، اگست میں اوور ہیڈ اخراجات کو کم کرنے کے لئے حکمت عملی کوشش کے حصے کے طور پر انتظامیہ میں کمی کرنے کا آغاز کرنے کا فیصلہ کیا گیا تھا۔ بورڈ آف ڈائریکٹرز ایس ڈی ایس کی آئندہ کوششوں کے لئے بہترین عمل کا تعین کرنے کے لئے آنے والے دور میں آگے کی راہ پر غور کرے گا۔

### 2۔ شفا کیئر (پرائیویٹ) لمیٹڈ۔ ایس سی پی ایل

شفا کیئر (پرائیویٹ) لمیٹڈ نے جدید ترین ہیلتھ کیئر سپلائی چین مینجمنٹ (ایچ ایس سی ایم) کی تیاری اور اسے لاگو کرنے پر کام جاری رکھا۔ یہ ایک جامع سسٹم ہے جو مندرجہ ذیل آزادانہ طور پر چلنے والے ماڈیولز پر مشتمل ہے:

☆ کیٹلاگ

☆ انونیٹری مینجمنٹ سسٹم

☆ ویز ہاؤس مینجمنٹ سسٹم

☆ سورسنگ سٹ (Sourcing suite)

☆ سپلائی میٹ ورک

☆ سپلائر ریلیشن شپ مینجمنٹ



کوڈ کی غیر لازمی ذیلی دفعہ (iii) 19(1) کی تعمیل نہ ہو سکی کیونکہ تین میں سے ایک ڈائریکٹر بیرون ملک تھے لہذا ڈائریکٹرز کے تربیتی پروگرام میں شریک نہ ہو سکے۔ باقی دو ڈائریکٹرز میں ایک نئے کوآپٹڈ ڈائریکٹر 25 مئی 2023 کو شامل کئے گئے۔ انہیں ایک ڈائریکٹر کے استعفیٰ کے بعد 31 مارچ 2023 کو کمپنی کا چیف ایگزیکٹو آفیسر نامزد کیا گیا۔ نئے نامزد ڈائریکٹر کے پاس ڈائریکٹر ٹریننگ پروگرام کا سرٹیفکیٹ حاصل کرنے کے لیے ایک (1) سال کی مدت ہے۔ مزید برآں، کمپنی نے کوڈ کے ذیلی ضابطہ 19(3)(i) کے تقاضے کے مطابق اس سال کے دوران ایک خاتون ایگزیکٹو کے لیے ڈائریکٹرز کے تربیتی پروگرام کا بھی اہتمام کیا۔

### کارپوریٹ بریفنگ سیشن

پاکستان اسٹاک ایکسچینج کی جانب سے کارپوریٹ گورننس کے مضبوط طریقوں کی حوصلہ افزائی کے لیے نئی اصلاحات متعارف کرائے جانے کے بعد اور لسٹڈ کمپنیوں کی جانب سے کارپوریٹ بریفنگز کے انعقاد کی لازمی شرط کی تعمیل میں 1 نومبر 2022 کو کمپنی کے سرمایہ کاروں اور حصص داران کے لیے ویڈیو لنک کے ذریعے کارپوریٹ بریفنگ سیشن کا انعقاد کیا گیا۔ سال 2022 کے لئے کمپنی کی کارکردگی اور مالی نتائج پر ایک تفصیلی پریزنٹیشن دی گئی جس کے بعد کمپنی کی انتظامیہ کی طرف سے کمپنی کے مستقبل کے منصوبوں پر بریفنگ دی گئی۔ انتظامیہ نے سیشن کے دوران شرکاء کی جانب سے اٹھائے گئے تمام سوالات کے تسلی بخش جوابات دیئے۔

### ڈائریکٹرز کی ذمہ داری کا بیان

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

### متعلقہ پارٹی سے لین دین / معاملات

تمام متعلقہ پارٹی لین دین کو بورڈ آف ڈائریکٹرز نے متعلقہ پارٹی لین دین سے متعلق کمپنی کی پالیسی کے مطابق منظور کیا ہے۔ کمپنی اس طرح کے تمام لین دین کا بمعہ شرائط و ضوابط مکمل ریکارڈ رکھتی ہے۔ اس طرح کے متعلقہ پارٹی لین دین کو مالیاتی گوشواروں کے نوٹس 37 پر ظاہر کیا گیا ہے۔

### گریجویٹ فنڈ

مالیاتی گوشوارے کا نوٹ 11.5 گریجویٹ فنڈ اکاؤنٹ کی سرمایہ کاری کی قدر کی عکاسی کرتا ہے۔

### بڑی تبدیلیاں (میٹیریل چینجز)

کمپنی کے مالی سال کے اختتام تک کوئی بڑی تبدیلی آئی ہے نہ ہی کمپنی نے اس عرصے کے دوران کوئی ایسی کمٹمنٹ کی ہے، جس سے اس کی مالی پوزیشن پر منفی اثر پڑے۔

# ڈائریکٹرز رپورٹ

☆ 24 مئی 2023 کو جناب شفقت علی چوہدری کی جگہ ڈاکٹر چین کرسٹوفی مورس چارلس رینوڈین (انٹرنیشنل فنانس کارپوریشن کے نامزد کردہ) کو کمپنی کا ڈائریکٹر نامزد کیا گیا۔ تاہم جناب رینوڈین نے 29 اگست 2023 کو استعفیٰ دے دیا۔

☆ 31 مارچ 2023 کو ڈاکٹر منظور ایچ قاضی کی جگہ ڈاکٹر ذیشان بن اشتیاق کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا۔ ان کی تقرری سے مالی سال کے اختتام یعنی 30 جون 2023 تک چار بورڈ میٹنگز منعقد ہوئیں۔

## بورڈ کی کارکردگی

کوڈ کے تقاضے کے مطابق کمپنی کا بورڈ سالانہ اپنی کارکردگی کا خود جائزہ لیتا ہے جس میں بورڈ کی ساخت اور خصوصیات، کردار اور ذمہ داریاں، کمپنی کی انتظامیہ کے ساتھ تعلقات اور ہسپتال کے حوالے سے مخصوص اقدامات وغیرہ شامل ہیں۔

بورڈ کی مجموعی کارکردگی اچھی رہی جس کا تعین منظور شدہ معیار کی بنیاد پر کیا گیا۔

## ڈائریکٹرز کا معاوضہ

کمپنی کا بورڈ کمپنی کے قواعد و ضوابط کمپنیز ایکٹ اور کوڈ کی روشنی میں بورڈ ممبران کے معاوضے کی منظوری اور تعین کرتا ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی علیحدہ علیحدہ تفصیل بشمول تنخواہ/فیس فوائد اور کارکردگی سے منسلک مراعات مالی گوشوارے کے نوٹس میں نوٹ نمبر 38 میں فراہم کی گئی ہے۔

## حصص کی تجارت

زیر جائزہ سال کے دوران کمپنی کے ایک ڈائریکٹر نے 64,759 شیئرز فروخت کئے اور چیف ایگزیکٹو آفیسر نے 41,720 شیئرز خریدے۔ اس کے علاوہ ڈائریکٹرز، ایگزیکٹوز، ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص کی تجارت نہیں کی۔ پاکستان اسٹاک ایکسچینج کو ڈائریکٹرز اور ایگزیکٹوز کی حصص کی تجارت پر باقاعدگی سے اپ ڈیٹ کیا جاتا ہے۔

## شیئر ہولڈنگ کا پیٹرن

30 جون 2023 کو کمپنی کے حصہ داران کی تعداد 2422 تھی جبکہ 30 جون 2022 کو یہ تعداد 2340 تھی۔ 30 جون 2023 کا شیئر ہولڈنگ کا پیٹرن سالانہ رپورٹ میں شامل ہے۔

## ڈائریکٹرز کا ٹریننگ پروگرام

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

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

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



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

زیر جائزہ سال کے دوران اس کمیٹی کا ایک اجلاس منعقد ہوا۔

### رسک مینجمنٹ کمیٹی

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

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

رسک مینجمنٹ کمیٹی کے ٹی او آرز کے نمایاں پہلو رسک مینجمنٹ کے طریقہ کار کے موثر ہونے کا جائزہ لینا، کمپنی کو درپیش خطرات کی نشاندہی کرنا اور بورڈ کو رپورٹ پیش کرنا ہیں۔

زیر جائزہ سال میں کمیٹی کا ایک اجلاس ہوا۔

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

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے بالترتیب نو (09) اور نو (09) اجلاس آئے۔ سائمن اور ویڈیو لنک کے ذریعے منعقد ہوئے۔

ہر ڈائریکٹر کی اجلاسوں میں شرکت کا شمار درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ میننگلز میں شرکت کی تعداد	آڈٹ کمیٹی میں شرکت کی تعداد
ڈاکٹر حبیب الرحمن	9	8
ڈاکٹر منظور ایچ قاضی	9	لاگو نہیں
جناب محمد زاہد	9	لاگو نہیں
جناب شفقت علی چوہدری	1	لاگو نہیں
جناب قاسم فاروق احمد	9	لاگو نہیں
ڈاکٹر سمیعہ کوثر احمد	9	9
سید الیاس احمد	9	9
پروفیسر ڈاکٹر شعیب احمد خان	9	لاگو نہیں
ڈاکٹر محمد نسیم انصاری	9	لاگو نہیں
جناب جاوید کے صدیقی	9	9
ڈاکٹر ذیشان بن اشتیاق	4	لاگو نہیں
ڈاکٹر جبین کرشنونی مورس چارلس رینوڈین	-	لاگو نہیں

☆ جناب شفقت علی چوہدری نے 25 فروری 2023 کو کمپنی کے ڈائریکٹر کے طور پر استعفیٰ دے دیا۔ بحیثیت ڈائریکٹر ان کے دور میں سال زیر جائزہ کے دوران چار بورڈ میننگلز منعقد ہوئیں۔ انہیں بیرون ملک ذاتی مصروفیات کی وجہ سے تین بورڈ میننگلز سے رخصت دی گئی۔

# ڈائریکٹر رپورٹ

بورڈ میں تنوع کے حوالے سے لیکچر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ("کوڈ") میں شامل غیر لازمی دفعات کی تعمیل میں، کمپنی کا بورڈ تین ڈاکٹروں، دو آئی ٹی پروفیشنلوں، تین فارماسسٹوں، ایک بزنس مین اور ایک چارٹرڈ اکاؤنٹنٹ پر مشتمل ہے۔

## بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی (بی اے سی) دو نان ایگزیکٹو ارکان اور دو آزاد ڈائریکٹرز پر مشتمل ہے۔

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

آڈٹ کمیٹی کے تمام ارکان انتہائی قابل افراد ہیں۔ آڈٹ کمیٹی کا اجلاس سال میں نو بار ہوا۔ آڈٹ کمیٹی کے "حوالے کی شرائط" (ٹی او آر) کوڈ میں موجود دفعات کے مطابق بنائے گئے تھے اور کمیٹی ان کے مطابق کام کرتی ہے۔ کمیٹی کے ٹی او آر میں کمپنی کے اثاثوں کی حفاظت، مناسب اکاؤنٹنگ ریکارڈ یقینی بنانا، اندرونی کنٹرول اور رسک مینجمنٹ، ریگولیٹری اور قانونی تقاضوں کی تعمیل کے علاوہ وقتاً فوقتاً مختلف دورانیے کے مالی گوشواروں کا جائزہ لینے کے مقصد کے لئے نظام کی تشکیل شامل ہیں۔ اگرچہ یہ فہرست جامع ہے لیکن کمپنی کے مفادات کی حفاظت کے بنیادی مقصد کو حاصل کرنے کے لیے کسی دوسرے مسئلے یا معاملے کو آڈٹ کمیٹی خود دیکھ سکتی ہے یا بورڈ کی طرف سے تفویض یہ کام کیا جاسکتا ہے۔

آڈٹ کمیٹی کے مشاہدات/سفر رشات کمیٹی کے چیئر مین بورڈ کو پہنچاتے ہیں۔

## کمیٹی برائے انسانی وسائل و معاوضہ

کمیٹی برائے انسانی وسائل و معاوضہ (ایچ آر اینڈ آر) میں درج ذیل ارکان ہیں:

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

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

## کارپوریٹ گورننس اور نامزدگی کمیٹی

کارپوریٹ گورننس اور نامزدگی کمیٹی (سی جی اینڈ این) مندرجہ ذیل ارکان پر مشتمل ہے:

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



شفا انٹرنیشنل ہسپتال کوانٹینیٹ فارسیف میڈیکیشن پریکٹسز (آئی ایس ایم پی) کی طرف سے 25 ویں سالانہ چیئرز ایوارڈ کا فاتح منتخب کیا گیا ہے۔ اس کا سبب فنڈز کی کمی کے باوجود کیمرے کی مدد سے کیوتھیراپی کی سروسز فراہم کرنا ہے۔ فارمیسی سروسز ٹیم نے آئی ایس ایم پی کی ہدایات کے مطابق ہسپتالوں کے لیے محفوظ دوا کو یقینی بنانے کے لیے کیوتھیراپی، آئی وی بیگ میں ٹھیک اجزاء ٹھیک مقدار میں شامل کرنے کو یقینی بنانا تھا۔ گروپ نے ہسپتال پر اضافی مالی بوجھ ڈالے بغیر اسے کم قیمت میں ممکن بنایا۔ شفا انٹرنیشنل ہسپتال میں اس پراجیکٹ کی کامیابی سے یہ ظاہر ہوتا ہے کہ نگہداشت صحت کے ادارے اگر کٹنگ ایج ٹیکنالوجی مثلاً گریوی میٹرک اینالٹیکل ٹولز، بار کوڈز، رپونک اپلیکیشنز اور ورک فلو سافٹ ویئر کے اخراجات برداشت نہیں کر سکتے تو بھی غلطیوں کے امکانات کو کم کرنے کے لیے کیا کچھ نہیں کر سکتے۔

#### • شفا انٹرنیشنل ہسپتال اور نیشنل ڈیٹا بیس اینڈ رجسٹریشن اتھارٹی (نادرا) کے درمیان آئی ڈی کی تصدیق سے متعلق افتتاحی تقریب

شفا انٹرنیشنل ہسپتال اور نیشنل ڈیٹا بیس اینڈ رجسٹریشن اتھارٹی (نادرا) نے ایک معاہدے پر دستخط کئے ہیں جس کے تحت مصدقہ شناخت ممکن ہو پائے گی۔ اس سے مریض اور عضو عیہ کرنے والے ڈونر کا تصدیق شدہ ہونا یقینی بنایا جاسکے گا۔

شفا انٹرنیشنل ہسپتال نے ہیلتھ کیئر سیکٹر میں کارپوریٹ گورننس کے بہترین طریقوں پر عمل کا ایوارڈ جیتا۔ اس موقع پر ڈاکٹر منظور ایچ قاضی (سابق سی ای او) نے ادارے کی طرف سے اس عزم کا اظہار کیا کہ وہ پاکستان کے عوام کو واٹھی ہیلتھ کیئر اور جدید میڈیکل ٹیکنالوجی کی فراہمی یقینی بنائیں گے۔

#### بورڈ آف ڈائریکٹرز

کمپنی کے ڈائریکٹر کی تعداد 11 (10 منتخب اور ایک برائے عہدہ) ہے جبکہ ایک پوزیشن ڈاکٹر رینوڈین کے استعفیٰ کی وجہ سے خالی ہے۔

الف۔ مرد: دس (10) ب۔ خاتون: ایک (01)

کمپنی کے بورڈ کے اختیارات اور ذمہ داریاں کمپنی کے قواعد و ضوابط کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس اور دوسرے متعلقہ قوانین کی دفعات سے اخذ کئے گئے ہیں۔ بورڈ نے 30 جون 2023 کو ختم ہونے والے سال کے دوران نومر تب اپنا اجلاس منعقد کیا۔

بورڈ تین انڈیپنڈنٹ ایک ایگزیکٹو اور ایک خاتون ڈائریکٹر پر مشتمل ہے۔

کیٹگری	نام
انڈیپنڈنٹ ڈائریکٹرز	سید الیاس احمد ڈاکٹر محمد نسیم انصاری جناب جاوید کے صدیقی
نان ایگزیکٹو ڈائریکٹرز	ڈاکٹر حبیب الرحمان ڈاکٹر منظور ایچ قاضی جناب محمد زاہد جناب قاسم فاروق احمد ڈاکٹر سمیعہ کوثر احمد پروفیسر ڈاکٹر شعیب احمد خان
ایگزیکٹو ڈائریکٹر	ڈاکٹر ذیشان بن اشتیاق (چیف ایگزیکٹو آفیسر۔ برائے عہدہ ڈائریکٹر)

# ڈائریکٹر رپورٹ

- آکوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ مینوئل
- میڈیکل کیسوں کے خالص ہونے کا تجزیہ
- ڈیزاسٹر مینجمنٹ

## ضابطہ اخلاق

کمپنی نے ایک ضابطہ اخلاق اپنایا ہے جو تمام ملازمین سے کام کا ایسا ماحول برقرار رکھنے کا مطالبہ کرتا ہے جس کی خصوصیات میں انصاف، احترام، ساکھ اور اخلاقی طریقوں کی تعمیل شامل ہو۔ کوڈ کی شقوق میں دیگر کے علاوہ قانونی تعمیل، سیاسی سرگرمیوں پر پابندی، تحائف طلب کرنے پر پابندی، مفادات کے ٹکراؤ سے گریز، صنف، نسل، رنگ، عمر وغیرہ کی بنیاد پر غیر امتیازی سلوک اور ہراسیت کی ممانعت، معلومات کی رازداری کو برقرار رکھنا، قوانین کی تعمیل اور ماحولیاتی تحفظ کے بارے میں قواعد وغیرہ شامل ہیں۔ کوڈ آف کنڈکٹ کا اطلاق کمپنی کے تمام ڈائریکٹرز، افسران، ملازمین، کنسلٹنٹس اور ایجنٹوں پر ہوتا ہے۔

## ”وسل بلونگ“ پالیسی

شفا انٹرنیشنل ہسپتال دینانداری سمیت شفافیت، احتساب اور کشادگی کے اعلیٰ معیارات پر عمل پیرا رہتے ہوئے کاروبار کرنے میں پرعزم ہے۔ اس حوالے سے کمپنی نے وسل بلونگ کی پالیسی لاگو کی تاکہ سٹیک ہولڈر ایسے کسی بھی واقعہ کو شناخت اور رپورٹ کرنے کے قابل ہو سکیں جو کمپنی کی پالیسیوں کے خلاف، غیر قانونی سرگرمی، بدانتظامی یا اختیار کے ناجائز استعمال کی ذیل میں آتا ہو۔ اس پالیسی کا بنیادی مقصد افراد کو ایسے مواقع فراہم کر کے اس قابل بنانا ہے کہ وہ تشویش ظاہر کرنے میں اعتماد محسوس کریں اور انہیں ممکنہ رد عمل سے تحفظ کی یقین دہانی فراہم کی جائے۔

## شکایات کی پالیسی

کمپنی پرعزم ہے کہ ملازمین کی شکایات کو مناسب طریقے سے تسلیم کیا اور حل کیا جائے گا۔ شکایت کی صورت میں پہلے مرحلے پر ملازم کا تعامل اپنے فوری سپروائزر سے ہوتا ہے۔ تھرڈ پارٹی کنٹریکٹ کے تحت کارکنوں کی جانب سے درج کرائی گئی شکایات پر بھی سنجیدگی سے غور کیا جاتا ہے اور متعلقہ ایریا سپروائزر کے ذریعہ متعلقہ پارٹی کو حل کے لئے مطلع کیا جاتا ہے۔

## اعزازات و اعتراف

- سب سے زیادہ ملازمتوں کے مواقع پیدا کرنے والا ادارہ
- اسلام آباد چیئرمین آف کامرس اینڈ انڈسٹری (آئی سی سی آئی) نے شفا انٹرنیشنل ہسپتال لمیٹڈ کو کیونٹی سماجی اور معاشی بہبود میں اہم کردار ادا کرنے والے ادارے کے طور پر نامزد کر کے اس کی اہمیت کو تسلیم کیا ہے۔ 21 جولائی 2022 کو ایوان صدر اسلام آباد میں آئی سی سی آئی کی پانچویں بزنس ایکسپلینس ایوارڈ کی تقریب منعقد ہوئی جس میں صدر اسلامی جمہوریہ پاکستان محترم ڈاکٹر عارف علوی نے جناب تیمور شاہ (چیف آپریٹنگ آفیسر، شفا انٹرنیشنل ہسپتال) کو ایوارڈ سے نوازا۔

## مینجمنٹ ایسوسی ایشن آف پاکستان (ایم اے پی)

شفا انٹرنیشنل ہسپتال لمیٹڈ نے مینجمنٹ ایسوسی ایشن آف پاکستان (ایم اے پی) کی جانب سے ہیلتھ کیئر کے شعبے میں مسلسل نواں کارپوریٹ ایکسپلینس ایوارڈ حاصل کیا ہے۔ جناب محمد زاہد (ایگزیکٹو ڈائریکٹر اینڈ ممبر بورڈ) نے سابق وزیر خزانہ جناب مفتاح اسماعیل سے ایوارڈ وصول کیا جو ایم اے پی کے 37 ویں کارپوریٹ ایکسپلینس ایوارڈز کے مہمان خصوصی تھے۔

## کارپوریٹ گورننس ایوارڈ

شفا انٹرنیشنل ہسپتال نے ہیلتھ کیئر سیکٹر میں کارپوریٹ گورننس کے بہترین طریقوں پر عمل کا ایوارڈ جیتا۔ اس موقع پر ڈاکٹر منظور ایچ قاضی (سابق سی ای او) نے ادارے کی طرف سے اس عزم کا اظہار کیا کہ وہ پاکستان کے عوام کو کوئی ہیلتھ کیئر اور جدید میڈیکل ٹیکنالوجی کی فراہمی یقینی بنائیں گے۔

## آئی ایس ایم پی



- 1- ہیلتھ کیئر تک رسائی: ہم نے پسماندہ آبادیوں کو صحت کی اہم سروسز فراہم کرنا جاری رکھیں۔ موبائل میڈیکل کیسپس اور کمیونٹی ہیلتھ سینٹرز کے ذریعے ہم 60,000 سے زیادہ افراد تک پہنچے۔ ان کے بغیر ان افراد کی میڈیکل ہیلتھ تک محدود رسائی محدود تھی۔
- 2- تعلیمی معاونت: ہم نے اپنے تعلیمی سپورٹ اقدامات کو بڑھایا، 250 مستحق طلباء کو وظائف دیئے تاکہ اس بات کو یقینی بنایا جاسکے کہ وہ مالی رکاوٹوں کے باوجود اپنے تعلیمی خوابوں کو پورا کر سکیں۔
- 3- نیوٹریشن پروگرام: غذائی قلت کے مسئلے پر اپنی توجہ مرکوز کرتے ہوئے ہم نے 10,000 بچوں اور حاملہ خواتین کو غذائی امداد فراہم کی۔ اس سے ان کی صحت اور بحیثیت مجموعی ترقی کو تقویت ملی۔

4- ایمرجنسی ریلیف: قدرتی آفات اور غیر متوقع بحرانوں کے مواقع پر ہم متاثرہ کمیونٹیوں کو خوراک، پناہ گاہ اور میڈیکل ایڈسٹیت دیگر امداد فراہم کرنے کے لیے تیزی سے متحرک ہوئے۔

### رورل ڈویلپمنٹ پروگرامز

دیہی ترقی شفا فاؤنڈیشن کے مشن کا مرکزی ستون ہے۔ ہم نے اس اہم کردار کو تسلیم کیا جو دیہی کمیونٹیز ہماری قوم کی ترقی میں ادا کرتی ہیں۔ ہمارے پروگرام ان کمیونٹیز کو پائیدار ترقی کے لیے ضروری آلات اور مواقع کے ساتھ باختیار بنانے کے لیے بنائے گئے۔ دیہی ترقی کے لیے ہماری وابستگی مختلف شعبوں پر پھیلی ہوئی ہے۔ ان میں نگہداشت صحت کے بنیادی ڈھانچے، تعلیم کی سہولیات اور ذریعہ معاش میں مدد شامل ہیں۔ ان اقدامات کے ذریعے ہم نے دیہی علاقوں میں مثبت اور پائیدار تبدیلیاں لانے کی کوشش کی۔

- 1- ہیلتھ کیئر انفراسٹرکچر: ہم نے دیہی علاقوں میں ہیلتھ کیئر کی سہولیات قائم کرنے اور انہیں اپ گریڈ کرنے میں سرمایہ کاری جاری رکھی تاکہ شہری مراکز سے دور دراز علاقوں میں رہنے والے افراد تک صحت کی معیاری سہولیات کی دستیابی کو یقینی بنایا جاسکے۔
- 2- تعلیمی سہولیات: تعلیم کو تبدیلی کے ایک اہم محرک کے طور پر تسلیم کرتے ہوئے ہم نے دیہی علاقوں میں تعلیمی اداروں کی صورت حال کو بہتر بنانے اور انہیں وسیع کرنے کے لیے کام کیا۔ اس سے ان میں خواندگی بڑھی اور ان کی مہارتوں میں ترقی ہوئی۔
- 3- ذریعہ معاش میں معاونت: ذریعہ معاش میں معاونت کے پروگراموں کا مقصد دیہی علاقوں کے گھرانوں کے معاشی امکانات میں اضافہ ہے۔ ہم نے زرعی شعبے میں ان کی تربیت کی اور انہیں وسائل فراہم کئے جس سے بہت سے خاندانوں کو اپنے ذریعہ معاش کو محفوظ بنانے میں مدد ملی۔

4- انفراسٹرکچر کی ترقی: ہم نے سڑکوں، پینے کے پانی کے ذرائع اور نکاسی آب کی سہولیات جیسے ضروری انفراسٹرکچر کی تعمیر اور مرمت کے لیے انہیں معاونت فراہم کی۔

### صارفین کے تحفظ کے لیے اقدامات

#### مینجمنٹ سسٹم کا متواتر جائزہ

آئی ایس او 45001:2018 (آکوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم) آئی ایس او 9001:2015 (کوالٹی مینجمنٹ سسٹم) اور آئی ایس او 22001:2015 (فوڈ سیفٹی مینجمنٹ سسٹم) کے سرٹیفکیٹس کے حامل ہونے کی حیثیت سے جے سی آئی اور آئی ایس او کی ریکوائزمنٹ کے مطابق شفا انٹرنیشنل ہسپتال کے مینجمنٹ سسٹم کی موزونیت، مطابقت اور اس کے موثر ہونے کو یقینی بنانے کے لیے آئی ایس جی ایس کی طرف سے باقاعدہ وقفوں میں مینجمنٹ سسٹم کا جائزہ لیا گیا۔ تمام آپریشنز میں صارفین کے تحفظ کو یقینی بنانے کے لیے مسلسل نگرانی اور تعمیل کے علاوہ مختلف جائزے، راولنڈ اور آڈٹ باقاعدگی سے کیے جاتے ہیں اور اپنے قیمتی صارفین کے تحفظ کے لیے مندرجہ ذیل تفصیلی منصوبے موجود ہیں:

- کوالٹی اور سیفٹی کے داخلی آڈٹ
- ماحولیاتی/سہولیات کے معائنے کے لیے راولنڈ
- خطرے کے امکان کا تجزیہ اور رسک ایسیمنٹ
- ملازمین کی میڈیکل مانیٹرنگ

# ڈائریکٹر رپورٹ

• ریڈی ایشن سیفٹی پروگرام

سیفٹی اینڈ سیکورٹی:

مریضوں، زائرین، عملے اور طلباء کی حفاظت شفا انٹرنیشنل ہسپتال میں انتہائی اہمیت کی حامل ہے۔ حفاظتی نگرانی کے نظام انسانوں اور سہولت کے تحفظ کے لیے پورے ہسپتال میں موجود ہیں۔

سیکورٹی اسٹاف کی تعیناتی:- سیکورٹی عملہ تین پرتوں میں تعینات کیا جاتا ہے:

- بیرونی دائرہ اور گیس: گیس، جو محافظوں کے زیر انتظام ہیں جہاں سیکورٹی الرٹ کی سطح کے مطابق اندر آنے اور جانے والے اہلکاروں اور گاڑیوں کو چیک کیا جاتا ہے۔
- درمیانی پرت: ہسپتال کے داخلی راستے: داخلی راستے جو مرد اور خواتین گاڑیوں کی تعیناتی کے ذریعے بنائے جاتے ہیں جہاں سیکورٹی الرٹ کی سطح کے مطابق عملے اور سامان کے اندر آنے اور جانے کی جانچ کی جاتی ہے۔

- ہسپتال کے اندر اور چھت کے اوپر: وارڈ زمر اور خواتین گاڑیوں کی تعیناتی کے ذریعے چلائے جاتے ہیں جہاں سیکورٹی الرٹ کی سطح کے مطابق عملے اور سامان کے اندر آنے اور جانے کی جانچ کی جاتی ہے۔ گاڑیوں کے بغیر وارڈ زمر اور دیگر علاقوں کی نگرانی کے عملے کے ذریعے الیکٹرانک طور پر کنٹرول اور نگرانی کی جاتی ہے۔ ساتھ ہی باقاعدہ گشت اور کسی بھی سیکورٹی ایمرجنسی کا بروقت جواب دیا جاتا ہے۔ ڈیٹنس کے لیے چھت کے اوپر مسلح گاڑیوں اور باؤنڈری وال پر وائچ ٹاور تعینات ہیں۔

شراکت داری سے کمیونیز کو مضبوط بنانا

مالی سال کے دوران ہمارے فلاحی کام نے غیر معمولی نتائج پیدا کئے۔ اپنی کارپوریٹ شراکت داریوں کے حوالے سے ہم چند کلیدی حقائق اور اعداد و شمار پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

ٹوٹل کارپوریٹ شراکت داری

- 1- ہیلتھ کیئر، ٹیکنالوجی اور فنانس سے لے کے مختلف شعبوں میں ہم نے 27 سرکردہ کارپوریٹ اداروں کے ساتھ شراکت داری قائم کی۔
- 2- فنڈ ریزنگ شراکت داریوں کے ذریعے ہم نے مختلف پروگراموں اور اقدامات کے لیے مجموعی طور پر کامیابی سے 7 کروڑ 60 لاکھ روپے جمع کئے۔
- 3- موثر اقدامات: کارپوریٹ فنڈنگ کو متنوع اقدامات بشمول ہیلتھ کیئر، کمپیوٹر سائنس کی مہموں، سکولوں کی تعمیر اور ایمرجنسی ریلیف کے لیے استعمال کیا گیا۔
- 4- صحت تک رسائی: اپنے کارپوریٹ شراکت داریوں کی مدد سے ہم نے دور دراز اور پسماندہ علاقوں میں 32 ہزار سے زائد افراد کو صحت کی سہولیات فراہم کیں۔
- 5- تعلیمی پیشرفت: کارپوریٹ فنڈنگ سے 2 نئے سکولوں کی تعمیر کئے گئے جس سے 680 مستحق بچوں کو معیاری تعلیم کی فراہمی ممکن ہوئی۔
- 6- ایمرجنسی رسپانس: قدرتی آفات اور صحت کی ایمرجنسیز کے دوران ہم نے کارپوریٹ شراکت داریوں کی مدد سے 5 ہزار متاثرہ خاندانوں کو فوری امداد پہنچائی۔

اظہار تشکر:

ہم اپنے کارپوریٹ پارٹنرز کا تہ دل سے شکریہ ادا کرتے ہیں جو انسان دوستی اور سماجی ذمہ داری کے جذبے سے ہمارے ساتھ شامل ہوئے۔ آپ کی مدد نے پاکستان بھر میں لاتعداد افراد اور خاندانوں کی زندگیوں میں واضح تبدیلی پیدا کی ہے۔

2022-23 میں ہماری کارپوریٹ انسان دوست کوششوں نے اس خیال کو تقویت دی ہے کہ مل کر کام کرنے سے ہم اپنے معاشرے کے پیچیدہ چیلنجوں سے نمٹ سکتے ہیں۔ یہ پارٹنرشپس صرف لین دین نہیں ہیں۔ وہ ہماری مشترکہ اقدار اور ایک زیادہ منصفانہ اور ہمدردانہ بنانے کے عزم کا عملی اظہار ہیں۔

کیونٹی انویسٹمنٹ اور فلاحی سکیمیں:

شفا فاؤنڈیشن نے کیونٹی سرمایہ کاری اور فلاحی سکیموں کے لیے اپنی وابستگی کو برقرار رکھا۔ کیونٹی سرمایہ کاری اور فلاحی سکیموں کے لیے ہماری کمٹمنٹ کو کئی اہم اقدامات اور ان کے اثرات کے ذریعے بطور مثال پیش کیا گیا:



بھرتی کے وقت اور سالانہ بنیادوں پر فوڈ ہینڈلرز کی میڈیکل مانیٹرنگ جس میں سینے کا ایکسرے، سی بی سی پروفائل، تھروٹ سویب سی/ایس، نزل سویب سی/ایس، پاخانہ سی/ای/آر HBs Ag، Hepatitis C Virus Ab (HCV) شامل ہیں۔ مزید برآں، ٹائیفائیڈ (2 سال کے بعد)، گردن توڑ بخار کی ویکسینیشن (10 سال)، ہیپاٹائٹس کی ویکسینیشن (5 سال کے بعد) بھی طبی عملے کی طبی جانچ کی پالیسی کے مطابق کی جاتی ہے۔

پیشہ ورانہ صحت اور حفاظتی منصوبے بشمول پیشہ ورانہ صحت اور حفاظت کا دستور العمل، حفاظتی انتظام کا پروگرام، فائر سیفٹی مینجمنٹ پروگرام، خطرناک مواد اور فضلہ کے انتظام کا پروگرام، لیزر سیفٹی پروگرام، ریڈی ایشن سیفٹی پروگرام۔

خطرناک مواد (HAZMAT) کی نظر ثانی: انڈیکس شپس اور انویٹری کی فہرست ہسپتال بھر میں گلوبل ہارمونائزڈ سسٹم آف کلاسیفیکیشن اینڈ لیبلنگ آف سبسٹنسز (2015) کے مطابق۔ خطرناک فضلہ کی انویٹری کی تیاری جس میں متعلقہ محکموں سے پیدا ہونے والے خطرناک فضلہ کی قسم کی تفصیلات کے ساتھ اس کی مقدار بھی شامل ہو۔ پیشہ ورانہ صحت اور حفاظت سے متعلق عملے کی استعداد کار میں اضافہ جس میں ڈیزاسٹر مینجمنٹ، سیفٹی مینجمنٹ، ہرمت اور ویسٹ مینجمنٹ، یوٹیلیٹیٹر مینجمنٹ، میڈیکل ٹیکنالوجی مینجمنٹ، فائر سیفٹی مینجمنٹ، اندرونی اور بیرونی ہنگامی صورتحال وغیرہ شامل ہیں۔

### آئی ایس او 45001:2018 سرویلنس آڈٹ

انٹرنیشنل آرگنائزیشن فار اسٹینڈرڈائزیشن اسٹینڈرڈ 2018:45001 کے مطابق شفا انٹرنیشنل ہسپتال لمیٹڈ اسلام آباد کے ”پیشہ ورانہ صحت اور حفاظت کے انتظام کے نظام“ پر SGS کے ذریعے 2 روزہ سرویلنس آڈٹ کیا گیا۔ آڈٹ ٹیم نے نتیجہ اخذ کیا کہ تنظیم نے معیار کے تقاضوں کے مطابق اپنے انتظامی نظام کو قائم اور برقرار رکھا ہے اور اس نظام کی صلاحیت کو ظاہر کیا ہے کہ وہ دائرہ کار اور تنظیم کی پالیسی اور مقاصد کے اندر مصنوعات یا خدمات کے لیے طے شدہ ضروریات کو منظم طریقے سے حاصل کر سکے۔

### فلیٹ مینجمنٹ سسٹم

گاڑیوں سے باخبر رہنے کا نظام تمام پول گاڑیوں میں فلیٹ کی کارکردگی میں بہتری اور نگرانی کے لیے لاگو کیا گیا ہے۔ یہ سسٹم منٹ سے منٹ کی بنیاد پر آن لائن ٹریکنگ کو یقینی بنانے کی اجازت دیتا ہے اور یہ نظام ڈرائیور کی مہارتوں اور طرز عمل میں بہتری کا باعث بنا ہے۔ اس اقدام کا نتیجہ محفوظ ڈرائیونگ کے طریقوں اور شفا انٹرنیشنل ہسپتال ٹرانسپورٹ میں سفر کرنے والے عملے کی حفاظت کی شکل میں نکلا ہے۔

### حفاظتی پروگرام

ہسپتال انفراسٹرکچر کی حفاظت اور مرہضوں، عملے اور آنے والوں کی فلاح و بہبود کو یقینی بنانے کے لیے جامع حفاظتی پروگراموں کو نافذ کرتا ہے۔ یہ تفصیلی حفاظتی پروگرام، مینوکلز اور منصوبے مندرجہ ذیل شعبوں اور کرداروں سے متعلق ہیں جیسا کہ ان کے عنوانات سے ظاہر ہے۔

- فائر سیفٹی مینجمنٹ پروگرام
- خطرناک مواد اور فضلہ کے انتظام کا پروگرام
- پیشہ ورانہ صحت اور حفاظت کے انتظام کا دستور العمل
- سیفٹی مینجمنٹ پروگرام
- ماحولیاتی صحت اور حفاظت کا دستور العمل
- ڈیزاسٹر مینجمنٹ پروگرام
- لیزر سیفٹی پروگرام
- لیبارٹری سیفٹی پروگرام

# ڈائریکٹر رپورٹ

## ماحولیات پر کمپنی کے کاروبار کا اثر:

شفا انٹرنیشنل ہسپتال سماجی طور پر باشعور اور پائیدار کاروباری طریقوں کے لیے ماحولیاتی تحفظ کے مختلف اقدامات کے ذریعے ماحولیاتی ذمہ داری کو اپنانے کی کوشش کرتا ہے جن کی اوپر وضاحت کی گئی ہے۔ مزید برآں اس سلسلے میں درج ذیل اقدامات اٹھائے گئے ہیں۔

### 1- خطرناک مواد اور فضلہ کا انتظام

پاکستان مختلف بین الاقوامی معاہدوں پر دستخط کنندہ ہے جن میں مینا مائیکونشن، روٹڈیم کنونشن، باسل کنونشن، اور شاہک ہوم کنونشن شامل ہیں۔ ان معاہدوں کا مشترکہ مقصد انسانی صحت اور ماحولیات کو مضر صحت مواد اور فضلہ سے بچانا ہے۔ اس سلسلے میں شفا انٹرنیشنل ہسپتال؛ ہسپتالوں اور وسیع تر کمیونٹی کے اندر، ہسپتال ویسٹ مینجمنٹ رولز 2005 کے مطابق خطرناک مواد اور فضلہ کے مناسب انتظام کو یقینی بنانے کی کوشش کرتا ہے۔ شفا انٹرنیشنل ہسپتال ایک بے عیب فضلہ کے انتظام کے نظام کو برقرار رکھتا ہے جو عالمی سطح پر تسلیم شدہ اور بہترین ثبوت پڑی طریقوں کو لاگو کر کے ماحولیاتی اثرات کو کم سے کم کرنے کے لیے احتیاط سے ڈیزائن کیا گیا ہے۔

### 2- ماحولیاتی انتظام اور نگرانی کا منصوبہ

- انتظام اور نگرانی کے منصوبے کے مطابق تخفیف کو یقینی بنانے کے لیے مندرجہ ذیل منصوبوں کے لیے مسلسل نگرانی فراہم کی جاتی ہے:
- ”ماحولیاتی اور سماجی اثرات اور تخفیف کے اقدامات“ کے مطابق پی وی سولر پروجیکٹ کی تنصیب اور کمیشننگ کے دوران تخفیف اور نگرانی
- ہسپتال کے فضلہ کو جانے والے کے لیے ”ماحولیاتی انتظامی منصوبے“ کے مطابق جاری ماحولیاتی نگرانی
- ویسٹ ہیٹ ریکوری بوائسز کے لیے ”ماحولیاتی مینجمنٹ پلان“ کے مطابق جاری ماحولیاتی نگرانی
- تدفین کے گڑھے کے ماحولیات اور سماجی اسکریننگ کے مطابق راہ کی تدفین کی جگہ کو شروع کرنے اور ختم کرنے کے دوران جاری تخفیف کے اقدامات

### 3- فضلہ میں کمی

ری سائیکل اور دوبارہ استعمال کے قابل اشیاء کو جزییشن کے وقت الگ کیا جاتا ہے اور بعد میں ری سائیکل ایبلز اسٹوریج ایریا میں منتقل کیا جاتا ہے۔ ری سائیکل ایبلز کو میونسپلٹی کے منظور شدہ دکانداروں کو آؤٹ سورس کیا جاتا ہے اور اس وجہ سے ڈمپنگ سائٹ پر ختم ہونے والے کچرے کی مقدار کم ہو جاتی ہے۔

### پیشہ ورانہ حفاظت اور صحت

#### پیشہ ورانہ صحت/طبی نگرانی

شفا انٹرنیشنل ہسپتال نے ایک طبی نگرانی کا پروگرام بنایا ہے جس کے ذریعے محفوظ اور موثر خدمات کی فراہمی کو یقینی بنانے کے لیے سالانہ مختلف طبی ٹیسٹ کیے جاتے ہیں۔ ملازمین کو ڈیپارٹمنٹ اور ہسپتال کے پروڈکٹول جیسے انفیکشن کنٹرول اور مریض کی حفاظت کے حصے کے طور پر کئی قسم کے ٹیکہ لگوائے جاتے ہیں۔ پیشہ ورانہ خطرے اور ایکسپوزیچر کی صورت میں یہ ویکسینیشن/ٹیسٹ درج ذیل زمروں کی بنیاد پر لاگو ہوتے ہیں اور ڈیپارٹمنٹ کی ہر ضرورت کے لیے مخصوص ہیں:

- براہ راست مریض کی دیکھ بھال فراہم کرنے والے
- بالواسطہ مریض کی دیکھ بھال فراہم کرنے والے

### سہولت کا انتظام اور حفاظت (FMS) آن لائن تربیت اور آگاہی کا اندازہ

FMS آگاہی کا ہدف پچھلی سہ ماہی میں حاصل کیا گیا، اور JCIA کے ارادے کی بنیاد پر مطلوبہ آگاہی حاصل کرنے کے لیے بیداری کے معیار اور مقدار میں ایک جامع تبدیلی کی گئی۔ ریڈیالوجی ڈیپارٹمنٹ میں کام کرنے والے عملے کے لیے فلمی بیجز کے ذریعے تابکاری کی خوراک کی نگرانی ایک جاری پیشہ ورانہ صحت کی نگرانی کی سرگرمی کے طور پر کی جاتی ہے۔

## 2- توانائی کی نگرانی کا نظام

توانائی کے انتظام کے نظام کو توانائی کے عمل کا تجزیہ کرنے، نگرانی کرنے اور بہتر بنانے، حقیقی وقت میں توانائی کے نظام کا جائزہ لینے اور اس بات کو یقینی بنانے کے لیے کامیابی کے ساتھ کام کیا گیا ہے کہ نظام بہترین توانائی کے توازن کے ساتھ بہترین حالت میں چل رہا ہے۔

## 3- ویسٹ ہیٹ ریکوری بولمرز کے ذریعے بجلی کا تحفظ

اینڈھن کے روایتی ذرائع پر انحصار کو محدود کرنے اور ماحولیاتی ذمہ داری کو قبول کرنے کے لیے شفا انٹرنیشنل ہسپتال جینیٹس (Gensets) سے غیر استعمال شدہ حرارتی توانائی کا استعمال کر رہا ہے۔ گیس جینیٹس (نمبر 03) سے بجلی پیدا کرنے کے دوران، حرارت کی توانائی کو گیس جنریٹروں کے فلو گیس کے بہاؤ سے خارج ہونے والی حرارت کی توانائی کو فضلہ ہیٹ ریکوری بولمرز کے ذریعے بھاپ میں تبدیل کر کے بازیافت کیا جاتا ہے۔ ناقابل تلافی فضلہ توانائی کا ذریعہ نمایاں طور پر گیس کے اخراج کو کم کرتا ہے اور بالآخر وسائل کی بحالی کا نتیجہ ہوتا ہے۔

## ماحولیاتی تحفظ کے اقدامات

### 1- ماحولیاتی نگرانی اور قانونی تعمیل

- الف۔ سیلف مانیٹرنگ اینڈ رپورٹنگ ٹول (سمارٹ) پروگرام، ای پی اے کے مطابق جاری ماحولیاتی نگرانی قومی ماحولیاتی معیار کے معیارات، (این ای کیو ایس) کی تعمیل اور انڈورائیز کوالٹی، اسٹیک ایمیشن مانیٹرنگ، پینے کے پانی کے تجزیہ (پینے کے قابل/غیر پینے کے قابل)، گندے پانی کا تجزیہ، لچو نیلا، ڈسفلڈ پانی، راکھ کا تجزیہ، اور سطح کا سویب۔
- ب۔ بولمرز آرڈیننس 2002 کے مطابق بولمرز کا معائنہ۔
- ج۔ ریڈی ایشن سیفٹی معائنہ: PNRA ریگولیٹری تقاضوں کا نفاذ۔
- د۔ بجلی ایکٹ 1937 کے مطابق بجلی کی تنصیب کا معائنہ۔
- ر۔ HWMR، 2005 کے مطابق ماہانہ ویسٹ رپورٹ پاک ای پی اے کو جمع کرانا۔

### 2- اندرون خانہ ماحولیاتی نگرانی

- انڈورائیز کوالٹی کی نگرانی وقفے وقفے سے پورے ہسپتال میں درجہ حرارت، نمی، آکسیجن لیول، لوئر ایکسپوئر لمٹس (LEL)، CO<sub>2</sub>، CO، روشنی کی سطح، شور کی سطح، فارملڈ ہائڈ، اور TVOC سمیت پیرامیٹرز کے لیے کی جاتی ہے۔
- مزید برآں مریمضوں، عملے، اٹینڈنٹ اور آنے والوں کی حفاظت کو یقینی بنانے کے لیے پینے کے قابل اور RO پر آئیس شدہ پانی کی الیکٹریکل کنڈکٹیوٹی، نمکیات، TDS اور مائکرو بیل پانی کے معیار کا تجزیہ کیا جاتا ہے۔
- انڈورائیزمنٹ ایئر پیرامیٹرز جو ASHRAE (امریکن سوسائٹی آف ہیٹنگ، ریفریجریٹنگ، اور ایئر کنڈیشننگ انجینئرز) کے معیارات کے مطابق برقرار رکھے جاتے ہیں ان میں فی گھنٹہ (ACH) اور کیوبک فٹ فی منٹ (CFM) شامل ہیں۔

### 3- پانی کا تحفظ

- شفا انٹرنیشنل ہسپتال پانی کے تحفظ کے موثر طریقوں کو اپنا کر پانی کے پائیدار انتظام اور استعمال کو فروغ دینے کے لیے وقف ہے۔ اس سلسلے میں ڈرنلنگ واٹر ٹریٹمنٹ سسٹم سے پیدا ہونے والے کنسنٹریٹ کو ٹریٹ کرنے کے لیے ریجیکٹ واٹر ٹریٹمنٹ سسٹم نصب کیا گیا ہے۔ یہ سیٹ اپ 170m<sup>3</sup>/month کے حجم تک پانی کے علاج کے قابل بناتا ہے۔
- مزید برآں شفا انٹرنیشنل ہسپتال میں چھڑکنے والا آبپاشی کا نظام پانی کے تحفظ میں ایک اہم کردار ادا کر رہا ہے، جو روایتی کشتش ثقل کے بہاؤ کے نظام کے مقابلے میں 40% تک پانی کی بچت حاصل کر رہا ہے۔



# ڈائریکٹر رپورٹ

ہونے اور بلا تعطل آگے بڑھنے کے مساوی مواقع فراہم کرنے پر شفا کی قوی توجہ سے ہوتا ہے۔ اس وقت ادارہ ایسے 20 ملازمین کو اپنی افرادی قوت کا حصہ ہونے پر فخر محسوس کرتا ہے جو کسی معذوری سے متاثر ہیں۔ یہ کام کی جگہ پر تنوع اور شمولیت کو فروغ دینے کے عزم سے شفا کی غیر متزلزل وابستگی کا ثبوت ہے۔

یہ عزم محض قانونی اور اخلاقی احکامات کی تعمیل سے آگے تک پھیلا ہوا ہے۔ خصوصی افراد کو شامل کر کے شفا متنوع افرادی قوت کے بھرپور فوائد سے مستفید ہوتا ہے۔ وسیع تر نقطہ نظر اور زندگی کے مختلف تجربات والے افراد سے تعامل سے ٹیم کی تخلیقی صلاحیتوں، جدت طرازی اور مسائل کو حل کرنے کی صلاحیتوں میں اضافہ ہوتا ہے۔ اس کے علاوہ خصوصی ملازمین کا انضمام ہمدردانہ اور ہمدلی پڑنی کام کی ثقافت کو فروغ دینے کے لئے ایک محرک کے طور پر کام کرتا ہے جہاں ہر فرد کی منفرد صلاحیتوں کی تحسین کی جاتی اور ان کی خدمات کا اعتراف کیا جاتا ہے۔

## کاروباری اخلاقیات اور بدعنوانی کے سد باب کی تدابیر

شفا انٹرنیشنل میں ہم مکمل سالمیت کے ساتھ کاروبار کرنے اور ہر مرحلے پر بدعنوانی کے خلاف لڑنے پر سختی سے یقین رکھتے ہیں۔ یہ اقدام صرف وہ قوانین نہیں ہیں جن پر عمل کرنا ہماری ذمہ داری ہے بلکہ یہ ہماری شناخت کی بنیاد اور ان اصولوں کا جو ہر ہیں جنہیں ہم ہمیشہ عزیمت رکھتے ہیں۔ ہم اس بات کو یقینی بناتے ہیں کہ درست کام کرنے کا عزم ہر اس کام میں موجود ہو جو ہم کرتے ہیں۔ ہم اپنے ملازمین پر بھروسہ کرتے ہیں کہ وہ جہاں کہیں بھی کام کر رہے ہوں ان اخلاقی اور قانونی رہنما اصولوں کو سمجھتے اور ان پر عمل پیرا ہوتے ہوں گے جو ہمارے کاروبار کی بنیاد ہے۔ ہم انہیں تعلیم دیتے ہیں اور ایسے ذرائع دیتے ہیں جو انہیں ہمیشہ دیا نندار انداختاب کی طرف رہنمائی کریں۔

بورڈ آف ڈائریکٹر کا منظور کردہ ضابطہ اخلاق ہماری اخلاقی رول بک ہے۔ اس میں وہ اصول اور قوانین ہیں جو ہمارے اخلاقی معیارات کی تشکیل کرتے ہیں اور ہمارے شفافیت کی رہنمائی کرتے ہیں۔ ہم جانتے ہیں کہ دیانت اور کھلے پن کی ثقافت اوپر سے شروع ہوتی ہے اس لیے ہماری سینئر مینجمنٹ اس میں قیادت فراہم کر رہی ہوتی ہے۔ وہ ہمارے جھاکش شفاف سے لے کر قابل بھر و سلاست اور شراکت داروں تک ہر ایک کو واضح کرتے ہیں کہ ہم کسی صورت میں بدعنوانی کو قبول نہیں کریں گے۔ ہمارے قائدین بھی اچھے اخلاق کے مظاہرے اور ادارے کو شفافیت اور سچائی کے رستے پر قائم رکھنے کے ذریعے اس ضمن میں ہماری رہنمائی کرتے ہیں۔

## کمپنی کی طرف سے سی ایس آر سرگرمیاں:

سی ایس آر ذمہ داریوں کے ایک حصے کے طور پر بھی شفا انٹرنیشنل ہسپتال خطے میں ہیلتھ کیئر کے شعبے میں قائدانہ کردار ادا کر رہا ہے۔ اس میں پاکستان میں ہسپتالوں اور ہیلتھ کیئر کے نظام کے لیے معیاری بہتری کی سرگرمیوں پر مشاورت شامل ہے۔ اس کی ایک مثال شفا کی طرف سے گلگت بلتستان کے ہسپتالوں کا دورہ تھا تاکہ ان کی حالت کا جائزہ لیا جاسکے اور بہتر منصوبہ بندی میں مدد کی جاسکے۔

اسی طرح ہماری ٹیمیں خیبر پختونخواہ ہیلتھ کیئر کمیشن کے ساتھ کام کر رہی ہیں تاکہ منظم نگرانی، تعلیم اور آگاہی کے ذریعے ہیلتھ کیئر کے معیار کو بہتر بنایا جاسکے۔ ثانوی اور تشری نگہداشت کے سیٹ اپ میں نگہداشت صحت کی فراہمی کو بڑھانے کے لیے آڈٹ میکانزم بھی ترتیب دیا گیا تھا۔ یہ مشترکہ کوشش پورے خیبر پختونخوا میں بڑے پیمانے پر بہترین طریقوں کے تبادلے کو یقینی بنائے گی۔

ایک مسلسل سی ایس آر سرگرمی کے طور پر شفا انٹرنیشنل ہسپتال ایمرجنسی ڈپارٹمنٹ کے عملے نے اسلام آباد کے علاقے اور اس سے باہر لائف سپورٹ کی تربیتی سرگرمیوں میں شرکت جاری رکھی۔ ان سرگرمیوں میں ڈپارٹمنٹ کی طرف سے تربیت کے لیے گلگت بلتستان کے علاقے کا دورہ بھی شامل ہے۔

## سال 2022-2023 کے دوران کی گئی دیگر سرگرمیاں

### توانائی کا تحفظ

توانائی کے تحفظ کے جاری اور مستقبل کے منصوبے درج ذیل ہیں:

### 1- قابل تجدید توانائی کی پیداوار

شفا انٹرنیشنل ہسپتال نے قابل تجدید توانائی کے ذریعے بجلی پیدا کرنے کے لیے PV سولر سسٹم نصب کیا ہے کیونکہ اسلام آباد میں سال بھر شمسی تابکاری حاصل کرنے کی بہت زیادہ صلاحیت ہے۔ اس سسٹم کا کل حجم 900 کلو واٹ ہے اور یہ کاربن سے پاک کرنے اور ماحولیاتی پائیداری کے لیے ایک کوشش ہے۔

## نیفرولوجی اور پی ڈی کلینک کی توسیع

شفا مختلف پروسیجرز بشمول گردے کی بائیوپسی سے لے کر علاج کے مختلف طریقوں تک امراض گردہ میں بے مثال کلینیکل خدمات فراہم کرنے کی کوشش کرتا ہے۔ اس سلسلے میں مریضوں کی بہتر سہولت کے لئے نیفرولوجی اور پی ڈی کو نیورولوجی کلینک کے ایریا میں منتقل کر دیا گیا ہے جو دارالشفا میں منتقل ہو چکا ہے۔

## ایمرجنسی روم میں پیڈیاٹرکس یونٹ کی توسیع

ای آر پیڈیاٹرکس یونٹ میں کم سن مریضوں اور ان کے اہل خانہ کو زیادہ مؤثر طریقے سے خدمات فراہم کرنے کے لئے نمایاں توسیع کی گئی ہے۔ دو نئے بیڈز کے اضافے کے ساتھ ہم نے بیڈز کی ٹوٹل گنجائش کو نو تک بڑھا دیا ہے۔

## کثیر شعبہ جاتی ٹیومر بورڈ

ملٹی ڈسپلنری ٹیومر بورڈ کو نیوروسرجری اور یورولوجی سمیت متعدد اضافی سپیشلیٹیز کو ضم کر کے بڑھایا گیا تھا۔ بورڈ کے طریقہ کار کو مرکزی انتظامی نگرانی کے ساتھ ہموار کیا گیا تھا تا کہ مؤثر دیکھ بھال کے منصوبے پر تبادلہ خیال کو آسان بنایا جاسکے۔ ایک آن لائن بکنگ اور کیس ڈسکشن ماڈیول کے ذریعے شفا کا مقصد پیچیدہ آنکولوجیکل ملٹی موڈلٹی ضروریات بشمول ریڈی ایشن، میڈیکل اور سرجیکل آنکولوجی مریضوں کو بہترین دیکھ بھال فراہم کرنا ہے۔ مزید برآں، ہمارے ای ایم آر ماڈیولٹی ریکارڈ اور تشخیص کی دستیابی میں اضافہ کریں گے جو پیچیدہ کیسوں کے لئے منصوبہ بندی کو مزید بہتر بنائیں گے۔

## دارالشفا آئی پی ڈی سروسز کی حوالگی:

2021-2022 کے دوران تہ خانے اور گراؤنڈ فلور پر دارالشفا (شفا نیوروسائنسز انسٹی ٹیوٹ) کی آپریشنل نزیلین کامیابی سے مکمل کی گئی۔ دارالشفا نیوروسائنسز میں آؤٹ پشٹ ڈپارٹمنٹ (او پی ڈی) کی ترتیب نے مریضوں کو کئی طریقوں سے بہت سہولت فراہم کی ہے۔ پرانی عمارت میں جگہ کی کچھ رکاوٹوں کو دور کیا گیا ہے۔ نئی او پی ڈی نمایاں طور پر بڑی اور زیادہ کشادہ ہے جس سے مخصوص تشخیصی کمرے، کانفرنس رومز، لیب پوائنٹ اور رجسٹریشن کاؤنٹرز بنائے گئے ہیں۔ اس سے مریضوں کے لئے درکار ہیلتھ کیئر تک رسائی آسان ہو گئی ہے اور انتظار کے اوقات کو کم کرنے میں بھی مدد ملی ہے۔ اس سے مریضوں کے ورژس زیادہ آسان اور آرام دہ ہو گئے ہیں۔ میڈیکل جینیٹکس کی نئی متعارف کرائی گئی سپیشلیٹی سے جینیاتی امراض میں مبتلا مریضوں اور ان کے اہل خانہ کو آسانی سے رسائی فراہم کی جائے گی۔ اس کے علاوہ عملے میں پیڈیاٹرک نیورولوجسٹ کا اضافہ ہمیں بچوں کی ضروریات کو بہتر طریقے سے پورا کرنے کے قابل بنائے گا۔ نئی دارالشفا عمارت کی توسیع نے شفا کو خدمات تک بہتر رسائی کے ساتھ سپیشلائزڈ ہیلتھ کیئر کی پیش کش جاری رکھنے کا موقع دیا ہے۔ مریضوں کو سہولت فراہم کرنے کے لئے ہسپتال میں باقاعدہ طور پر شام کے کلینک قائم کیے گئے ہیں جس کے نتیجے میں ویک اینڈ کے علاوہ ہفتے کے عام دنوں میں شام 5 بجے کے بعد مریضوں کی تعداد میں اضافہ ہوتا ہے۔

دوسرے مرحلے کے دوران دارالشفا (شفا نیوروسائنسز انسٹی ٹیوٹ) میں نیوروجنریٹو اور متعلقہ سپیشلیٹیز کے لیے نئی وارڈ کی تشکیل میں 16 بستروں پر مشتمل آئی پی ڈی سروسز کا آغاز کیا گیا ہے۔ اس اقدام کا مقصد پشٹ فلو (patient flow) کو بہتر بنانا اور مصروف ترین اوقات کے دوران بوجھ کو کم کر کے بالآخر پشٹ ایکسپریٹنس میں بہتری لانا ہے۔ دارالشفا (شفا نیوروسائنسز انسٹی ٹیوٹ) میں فارمیسی سروسز کو اب آئی پی ڈی اور او پی ڈی دونوں شعبوں میں مریضوں کی ضروریات پورا کرنے کے لئے بڑھا دیا گیا ہے۔ اس کا مقصد مریضوں کی ادویات تک رسائی کو بڑھانا اور مجموعی طور پر مریض کے تجربے کو بہتر بنانا ہے۔ فارمیسی میں تجربہ کار فارماسسٹوں پر مشتمل عملہ ہے جو تمام مریضوں کو معیاری خدمات فراہم کرنے کے لئے پرعزم ہے۔

ان اقدامات کے نتیجے میں شفا انٹرنیشنل ہسپتال لمیٹڈ نے رواں سال کے لیے اپنے او پی ڈی، تشخیصی اور دیگر اہداف کامیابی سے مکمل کئے ہیں۔

## خصوصی افراد کی ملازمت

شفا انٹرنیشنل اپنی افرادی قوت اور وسیع تر کمیونٹی دونوں کے تئیں اپنی ذمہ داریوں کو برقرار رکھنے کو اولین ترجیح دیتا ہے۔ اس پختہ عزم کا اظہار خصوصی افراد کو ادارے کی افرادی قوت میں ضم

# ڈائریکٹرز رپورٹ

<p>6- سائبر سیکیورٹی</p> <p>ہم مضبوط سائبر سیکیورٹی اقدامات میں سرمایہ کاری کرتے ہیں، باقاعدگی سے خطرات کی تشخیص کرتے ہیں، اور ڈیٹا سیکیورٹی کے بہترین طریقوں پر ملازمین کو تربیت فراہم کرتے ہیں۔ ڈیٹا سائبر سیکیورٹی پروٹوکول اور انسائیڈٹ پروٹوکول ممکنہ سائبر واقعات کے اثرات کو کم سے کم کرنے میں مدد کرتے ہیں۔</p>	<p>ڈیٹا کی خلاف ورزیوں اور ڈیجیٹل انفراسٹرکچر میں خلل کے نتیجے میں کمپنی کو سائبر سیکیورٹی سے متعلق خطرے کا سامنا ہے۔</p>
<p>7- آپریشنل خطرات</p> <p>شفاف کے پاس مضبوط داخلی کنٹرول کا ایک اچھی طرح سے برقرار نظام ہے جس میں فرائض کی علیحدگی، اہم عمل کے لئے دوہری منظوری اور باقاعدگی سے داخلی آڈٹ شامل ہیں۔ یہ کنٹرول غلطیوں کو روکنے اور ان کا پتہ لگانے میں مدد کرتے ہیں اور مالی نقصان، ساکھ کے نقصان اور ممکنہ تعمیل کے مسائل کے خطرے کو کم کرتے ہیں۔</p>	<p>داخلی پراسیسز کی ناکامی، بشری غلطیاں یا نظام کی ناکامی واقع ہوں تو مالی نقصان اور ساکھ کو نقصان پہنچ سکتا ہے۔ یہ خطرات آپریشنل نااہلیوں، کسٹمرز کے عدم اطمینان اور ممکنہ تعمیل کے مسائل کا باعث بن سکتے ہیں۔</p>

## کاروبار کی توسیع

نئی ترقی و آرائش شدہ نیفرولوجی اوپی ڈی، کیموڈے کیئر اور ترقی و آرائش شدہ گیسٹر وائٹرولوجی اور ڈیٹا سائبر سیکیورٹی کے ہسپتال کو بیرونی مریضوں کی تعداد میں اضافہ کرنے کا موقع دیا ہے۔ اگلے مالی سال کے لئے مزید ترقی و آرائش اور تنظیم نو کی منصوبہ بندی کی گئی ہے۔ کلینیکل خدمات کی توسیع اور تنظیم نو کے اس ہدف کے حصول افزائش اور ترقی کے کلیدی محرکات میں بنیادی طور پر درج ذیل اقدامات شامل ہیں:

## کیموڈے کیئر کی توسیع

کیموڈے کیئر سروسز کو کینسر کے مریضوں کی بڑھتی ہوئی تعداد کو بہتر طریقے سے خدمات فراہم کرنے کے لئے توسیع دی گئی ہے۔ کیموڈے کیئر سینٹر کی تنظیم نو کی گئی جس میں علاج کی نشستوں میں 18 سے 30 تک اور اوقات کار میں اضافہ ہوا۔

## گیسٹر وائٹرولوجی کی توسیع

اس توسیع میں 8 ڈاکٹر رومز اور 35 افراد کے لئے وینٹ ایریا کے ساتھ ساتھ تمام متعلقہ ضروریات جیسے اسسٹنٹ روم، چیئرنگ رومز، ٹی روم، اسٹور، استقبال کاؤنٹر کے علاوہ کنسلٹنٹس، اسٹاف اور وزیٹرز کے لئے علیحدہ ٹوائلٹس شامل ہیں۔

## سرجیکل کلینک کی توسیع

سرجیکل کیئر کو عالمی سطح پر صحت کی دیکھ بھال کا ایک اہم جزو سمجھا جاتا ہے۔ شفا میں سرجیکل خدمات میں توسیع کا مقصد کثیر شعبہ جاتی ٹیم کی زیر نگرانی مریضوں کی معیاری دیکھ بھال کے لئے مشترکہ تعاون پر مبنی اپروچ کے تحت سرجیکل اسپیشلسٹ کی وسیع رینج میں ہیلتھ کیئر کی بہتر فراہمی یقینی بنانا ہے۔ توسیع کے ایک جزو کے طور پر موجودہ کلینک کے ایریا کو 7 کنسلٹنٹ کمروں کے اضافے کے ساتھ اپ گریڈ کیا گیا ہے۔

## میڈیکل اوکولوجی کلینک کی توسیع

پاکستان میں کینسر کے ابھرتے ہوئے اور ممکنہ طور پر اہم بیماری کے بوجھ کے ساتھ اندازہ کیا جاسکتا ہے کہ ایسے رویوں اور طرز زندگی کے عوامل کی وجہ سے جو کینسر کا سبب بنتے ہیں اور بڑھتی ہوئی آبادی اور معمر افراد کی تعداد میں اضافے کے ساتھ آنے والے وقتوں میں یہ بوجھ بڑھے گا۔ اس سوچ کے پیش نظر خالی بین کلینک کے ایریا میں (جو دارالشفائ میں منتقل ہو گیا ہے) ایک اضافی میڈیکل اوکولوجی کلینک قائم کیا گیا ہے۔ چار کنسلٹنٹ کمروں اور متعلقہ خدمات کے اضافے کے ساتھ اس توسیع نے چھاتی کے کینسر، جلد کے کینسر، پھیپھڑوں کے کینسر، کولون کینسر، پروسٹیٹ کینسر اور لیمفو ماسیت ہسپتال میں آنکولوجی کے مریضوں کی بڑھتی ہوئی تعداد کو ایڈجسٹ کیا ہے۔



مریضوں پر ہسپتال آنے کا بوجھ کم ہوگا اور ان کی متعلقہ رہائش گاہوں کے قریب دیکھ بھال فراہم ہوگی۔

## اہم خطرات اور غیر یقینی صورتحال

بورڈ کمپنی کو درپیش خطرات کی شناخت اور موثر انتظام کا ذمہ دار ہے۔ ذیل میں بیان کردہ اہم خطرات کمپنی کے کاروبار اور کارکردگی کو متاثر کر سکتے ہیں:

خطرات اور غیر یقینی صورتحال	تخفیف و مدارک
1- مسابقت کا خطرہ	خدمات میں تفریق، پینٹنٹ ایکسپریٹس میں بہتری، معیار، ہنرمند ڈاکٹروں کی بھرتی اور دستیابی، ٹیکنالوجی میں سرمایہ کاری اور مسلسل بہتری سے مسابقت کے خطرے کے اثرات کو کم کرنے میں مدد ملتی ہے۔
2- سپلائی چین میں خلل	ہم اہم اجزاء کے اسٹریٹجک ذخیرے کو برقرار رکھتے ہیں، متبادل سورسنگ آپشنز قائم کرتے ہیں، اور سپلائی چین میں ممکنہ کمزوریوں کی نشاندہی کرنے کے لئے خطرے کا جائزہ لیتے ہیں۔ سپلائرز کے ساتھ قریبی تعاون اور وقتاً فوقتاً سپلائی چین آڈٹ لکچ اور تسلسل کو یقینی بناتے ہیں۔
3- مالی خطرات اور لیکویڈیٹی کے چیلنجز	ہم ایک مضبوط مالی پوزیشن برقرار رکھتے ہیں، سخت مالی منصوبہ بندی اور منظر نامے کا تجزیہ کرتے ہیں، اور کرنسی اور سود کی شرح کے خطرات کا انتظام کرنے کے لئے چھٹک حکمت عملی نافذ کرتے ہیں۔ دانشمندانہ کیش فلوز کا انتظام اور مالی اشاریوں کی مسلسل نگرانی اسٹاک کمپنی بنانے میں مدد کرتے ہیں۔
4- ریگولیٹری اور تعمیل کے خطرات	ہمارے پاس قانونی تعمیل یقینی بنانے کے لیے ایک وقف ٹیم ہے جو ریگولیٹری تبدیلیوں پر نظر رکھتی ہے۔ پالیسیوں اور طریقہ کار کا جائزہ لیا جاتا ہے اور موجودہ قواعد و ضوابط کے ساتھ ہم آہنگ کرنے کے لئے اپ ڈیٹ کیا جاتا ہے۔ عملے کی تربیت اور واضح ابلاغ تعمیل کی ضروریات پر عمل کو یقینی بناتے ہیں۔
5- فرسودہ/متروک ٹیکنالوجی	ہم مسلسل تحقیق اور ٹیکنالوجی کے ماہرین کے ساتھ مشغولیت کے ذریعے ہمساتھ کیمر میں تازہ ترین تکنیکی ترقی پر فعال نظر رکھتے ہیں۔ ہم احتیاط سے ٹیکنالوجی وینڈرز اور معاہدے کی شرائط کا جائزہ لیتے ہیں تاکہ اس بات کو یقینی بنایا جاسکے کہ ٹیکنالوجی پر ہماری سرمایہ کاری مستقبل میں محفوظ ہے۔ ہم ان وینڈرز کو ترجیح دیتے ہیں جو اسکیل ابل حل اور طویل مدتی مدد پیش کرتے ہیں۔ کمپنی فعال ٹیکنالوجی کی نگرانی، شراکت داری اور سرمایہ کاری کے ذریعے متروک ٹیکنالوجی کے خطرے کو کم کرتی ہے۔

# ڈائریکٹر رپورٹ

ان منصوبہ بند سرگرمیوں کے ساتھ ساتھ اگلے مالی سال میں کمپنی کے لئے کچھ چیلنجز بھی ہیں۔ ملک کا مشکل مالی منظر نامہ اس فہرست میں سب سے اوپر ہے۔ معاشی چیلنجوں نے نگہداشت صحت کے اداروں اور مریضوں دونوں کو یکساں طور پر متاثر کیا ہے۔ پاکستانیوں کی کم ہوتی قوت خرید اور کاروبار کرنے کی بڑھتی ہوئی لاگت کا مطلب ہے کہ صحت کی دیکھ بھال کو، جو پہلے ہی پاکستان میں ایک نظر انداز شدہ شعبہ ہے، اضافی رکاوٹوں کا سامنا ہے۔ جیسے جیسے یہ دباؤ بڑھتا جائے گا، صحت کی دیکھ بھال کی معیاری خدمات کی مناسب قیمت میں فراہمی کے لئے ہمیں ترجیحات کے از سر نو تعین کی ضرورت ہوگی۔

مزید مثبت بات یہ ہے کہ ہماری سہولیات میں دارالشفاء کے اضافے کے ساتھ شفا کی توسیع اگلے مالی سال میں مسلسل مثبت اثرات مرتب کرے گی۔ ہم دارالشفاء میں نئی اوپی ڈیز میں اضافے کا اندازہ لگا سکتے ہیں اور پین کینکس، نیورولوجی اور سائیکیاٹری سروسز میں مریضوں کی تعداد میں اضافے کی توقع کرتے ہیں۔ اس کے علاوہ دارالشفاء میں نئی فعال آئی پی ڈی سہولیات ہسپتال کو اضافی بیڈز، یونیفرم، اہم کرتی ہیں اور ان کے زیر استعمال ہونے کی شرح میں مسلسل بہتری آرہی ہے۔

اسی طرح مرکزی ایجنٹ-8 ہسپتال میں اوپی ڈی کی تنظیم نو سے کارکردگی اور مریضوں کی آمد میں بہتری جاری ہے۔ امپروومنٹ کے لیے منصوبہ بند منصوبوں میں ایک کلیدی شعبہ اینڈوسکوپي سونٹ کی توسیع ہے جو گیسٹر وائٹروولوجی کے پروسیجر کرنے کی صلاحیت میں اضافہ کرے گا۔ اس کے علاوہ کیوڈے کیئر میں سہولیات کی تزئین و آرائش اور توسیع کے بعد مریضوں کی تعداد میں نمایاں اضافہ دیکھا گیا ہے۔ ڈائلیسز کے لئے بھی اسی طرح کی تزئین و آرائش کی منصوبہ بندی کی جارہی ہے جس میں مریضوں کے بہاؤ اور سہولت کو بہتر بنانے کے لئے نئی سافٹ ویئر آپٹیمائزیشن بھی شامل ہیں۔

بقیہ اوپی ڈیز کی تزئین و آرائش اور نیفرولوجی، میڈیکل اوکولوجی، گیسٹر وائٹروولوجی وغیرہ میں کنسلٹنٹس کے اضافے سے مریضوں کی تعداد میں بہتری جاری ہے۔ ان میں منصوبہ بندی سے سال بھر اضافہ کیا جائے گا تاکہ مریضوں کی دیکھ بھال کرنے کی ہماری صلاحیت کی تقویت کو یقینی بنایا جاسکے۔

## اگلے مالی سال کے لئے کاروباری فیصلے:

نئے کنسلٹنٹس کی شمولیت، موجودہ خدمات میں توسیع اور مریضوں کے لئے کینسٹیکس اور پیچیدہ پروسیجرز کی پیوندکاری جیسی خصوصی خدمات کے تعارف کے ساتھ مختلف شعبوں میں کلینیکل توسیع اگلے مالی سال میں جاری رہے گی۔ مزید برآں، ہسپتال نے ای شفا کی مدد سے اپنی خدمات تک رسائی کو بڑھانا جاری رکھا ہے اور اس بات کو یقینی بنایا ہے کہ ان کے جغرافیائی محل وقوع سے قطع نظر ہماری خدمات مریضوں کے لئے دستیاب ہیں۔

اس اقدام سے شفا میں مریضوں کے اطمینان کو بہتر بنانے کے لئے کام جاری رہے گا اور ہمیں ہسپتال میں اور ان کی دہلیز پر تمام مریضوں کو کھلی دیکھ بھال فراہم کرنے کے قابل بنائے گا۔ پیشینہ ایکسپریس کو بہتر بنانے کے لئے ہسپتال اپنے اوپی ڈی ایریا کی تزئین و آرائش جاری رکھے گا اور داخل مریضوں کی نگہداشت کو مضبوط بنانے کے لئے آئی پی ڈی ایم آر کے منصوبہ بند اجراء کے ساتھ پورے ہسپتال میں مریضوں کی آمد کو بہتر بنائے گا۔ اگلے مالی سال میں بھی الیکٹرانک ریکارڈ لاگو کرنے کے ٹریک پر سفر جاری رہے گا۔ اس طرح مجموعی ہم آہنگی جس کی ہم توقع کرتے ہیں وہ ہسپتال میں پیشینہ ایکسپریس پر بہت اچھے اثرات مرتب کرے گی اور ہمیں ہوم ہیلتھ کیئر خدمات کے ساتھ ہسپتال سے باہر بھی اپنے مریضوں کی دیکھ بھال جاری رکھنے کے قابل بنائے گی۔

اخراجات کو کم کرنے کے لئے ہسپتال اپنے موجودہ پراسیسز کا جائزہ لے گا اور کارکردگی کے اقدامات کو مزید بہتر بنائے گا۔ اس سے نہ صرف نگہداشت صحت کی لاگت میں بہتری آئے گی بلکہ یہ امر بھی یقینی بنایا جائے گا کہ مریض ہی ہماری پوری توجہ کا مرکز ہیں۔

دارالشفاء میں مریضوں کے داخلے کی سہولیات میں توسیع جاری رہے گی جس سے شفا کی نگہداشت صحت کی صلاحیت میں اضافہ کرنے میں مدد ملے گی۔ ہسپتال سے باہر کی خدمات کے لئے ای شفا کے ساتھ شراکت داری جاری رکھ کر اس بات کو یقینی بنائے گا کہ ہم اپنے مریضوں کو صحت کی دیکھ بھال کی سہولیات تک رسائی متعدد مقامات پر فراہم کرنے کے قابل ہیں۔ ان میں سے کچھ سہولیات، مثال کے طور پر ایف-11 میڈیکل سینٹر کو جی-10 میڈیکل سینٹر کے ساتھ ضم کرنے سے ہمیں بہترین نتائج حاصل کرنے اور یہ یقینی بنانے میں مدد ملتی ہے کہ نگہداشت صحت کی تمام سہولیات ایک چھت کے نیچے موجود دستیاب ہیں۔

ہم ہسپتال کے اندر اور باہر اپنے مریضوں کی بہترین ممکنہ دیکھ بھال کو یقینی بنانے کے لئے وقف ہیں۔ ہمارے آؤٹ ریچ کینکس اور مریضوں کی دیکھ بھال میں ان کے بڑھتے ہوئے کردار سے

## اہم سرگرمیاں، ترقی اور کارکردگی

گزشتہ مالی سال میں ہم نے موجودہ سروس لائنوں میں مسلسل چھوٹی اور مستقل بہتر پیش رفتیں کرتے ہوئے کلینیکل اور مالی کارکردگی کو بہتر بنانے پر توجہ مرکوز کی۔ اس کا نتیجہ فراہم کردہ دیکھ بھال کی خدمات کے معیار کو بنیادی اہمیت دیتے ہوئے مریضوں کے لیے بہتر تجربے (پیشہ ایکیپیئرنس) کی صورت میں برآمد ہوا ہے۔

اپنی خدمات کو وسعت دینے میں ایک اہم سنگ میل شفا انٹرنیشنل ہاسپٹل لمیٹڈ کی طرف سے ای شفا (شفا اینگلریڈ، ہیلتھ کیئر ٹیکنالوجیز) کا جزوی حصول اور انضمام تھا۔ اس نے شفا کو نیٹ میڈیسن سہولیات کے ذریعے پورے خطے میں دیکھ بھال کی خدمات فراہم کرنے اور تشخیصی خدمات کو وسعت دینے کے اپنے مشن کو جاری رکھنے کا موقع دیا ہے۔ اضافی رسائی مراکز اور نگہداشت کے وسیع نیٹ ورک کے ساتھ، شفا کا مقصد ”سب کے لئے ہمدردی کے ساتھ صحت کی دیکھ بھال“ فراہم کرنے کے اپنے مشن کو پورا کرنا ہے۔

مریضوں کی سہولت اور مجموعی کارکردگی کو بہتر بنانے کے لئے ہسپتال نے الیکٹرانک میڈیکل ریکارڈ (ای ایم آر) پر مکمل منتقلی کا آغاز کیا ہے۔ اس مالی سال کے دوران ہسپتال بھر میں نئے ای ایم آر ماڈیولز کی تنصیب کے بعد تمام اوپی ڈیز نے الیکٹرانک سسٹم پر منتقلی شروع کر دی۔ اس طرح مریضوں کی دیکھ بھال، ریکارڈ رکھنے اور دیکھ بھال کی ہم آہنگی میں نمایاں بہتری لائی جاسکتی ہے اور ہسپتال کے اندر اور باہر مریضوں کی دیکھ بھال کو بغیر کسی رکاوٹ کے ہم آہنگ کیا جاسکتا ہے۔

گزشتہ مالی سال میں شفا کلینیکل ریسرچ سینٹر (ایس سی آر سی) کو از سر نو تشکیل دیا گیا اور اس میں توسیع کی گئی تاکہ ہسپتال میں ٹرائلز کی تعداد میں اضافہ کیا جاسکے۔ اس کے بعد ڈریپ سمیت متعلقہ حکام کی جانب سے اس کے جائزے اور منظوریوں موصول ہوئیں۔ ہمارا مقصد ایسے کلینیکل ٹرائلز فراہم کرنا ہے جو پاکستانی آبادی سے مقامی حوالے سے متعلق ہوں تاکہ کلینیکل خطرات کو کم سے کم کیا جاسکے اور ان کی روز افزوں نگہداشت صحت کی ضروریات کو پورا کیا جاسکے۔ اس وقت دیگر کے ہمراہ متعدد سٹڈیز جاری ہیں جیسے پالپیشن، ہیلتھ ریسرچ انسٹی ٹیوٹ کے ساتھ سی او پی-اے ایف (COP-AF)، لیوزون ٹرائل (LIVZON trial) اور ایلو ویک کے ساتھ الوو آئی (Alvo Tech with ALVOEYE) وغیرہ۔ ہمارا مقصد اپنی صلاحیت میں اضافہ کرنا اور جدید ترین کلینیکل ریسرچ پلیٹ فارم فراہم کرنا ہے۔

شفا انٹرنیشنل نے الیکٹرانک شکایات منجمنٹ سسٹم (سی ایم ایس) متعارف کرایا جو ہے رٹیل ٹائم میں مریضوں کی تمام شکایات اور سوالات کو ٹریک کرنے اور جواب دینے کے قابل بناتا ہے اور مریضوں کی کیئر پر مرکوز ہماری اپروچ کا ثبوت ہے۔ اس کا مطلب یہ ہے کہ نہ صرف مجموعی طور پر مریضوں کے مسائل کی فوری نشان دہی بلکہ ان کے مسائل کا حل بھی ممکن ہوا ہے۔ مسائل کی بہتر اور زیادہ نشان دہی کے اس نظام کے ذریعے ہم اپنی خدمات کو بہتر بنانے اور مریضوں کی بہتر دیکھ بھال کو یقینی بنانے کے لئے پرعزم ہیں۔

اپنے کوالٹی امپروومنٹ پلان (کیو آئی پی) کو مزید مستحکم کرنے کے لئے شفا انٹرنیشنل ہاسپٹل لمیٹڈ نے آئی پی ڈی اور ای آر مریضوں کے لئے کلینیکل پاتھ ویز کو اپ ڈیٹ کیا تاکہ مریضوں کو معیاری دیکھ بھال کی فراہمی کو یقینی بنایا جاسکے۔ اس کیو آئی پی کو ہم اگلے مالی سال میں بھی بڑھائیں گے، اس رپورٹ میں آگے بھی اس پر مزید بات کی گئی ہے۔

نئے طریقوں کو اپناتے ہوئے اس امر کو یقینی بنانے کے لئے بہت احتیاط برتی گئی ہے کہ جاری خدمات میں دیکھ بھال کے موجودہ پیرامیٹرز متعین چیلنجز پر برقرار رہنے کے قابل رہیں۔ اوپی ڈی شعبوں کی گنجائش میں توسیع اور تزئین و آرائش سے مریضوں کے حجم میں مسلسل اضافہ ہوا ہے۔

## کارکردگی کو ممکنہ طور پر متاثر کرنے والے عوامل

شفا میں اوپی ڈی ای ایم آر کو شروع کرنے کے ساتھ ہم اگلے مالی سال کے لئے کارکردگی کو بہتر بنانے کی غرض سے اپنے کلینیکل ورک فلو میں بھی تبدیلیاں کر رہے ہیں۔ اس کے لئے توجہ کے کلیدی شعبوں میں الیکٹرانک ڈسپارچ کے ذریعے ڈسپارچ کے اوقات کو بہتر بنانا شامل ہے جو طبی ریکارڈ تک بروقت رسائی فراہم کرے گا اور دیکھ بھال کی ہم آہنگی کو بہتر بنائے گا۔ اسی طرح، سال کے آخر تک آئی پی ڈی ای ایم آر شروع کرنے کا منصوبہ شدہ اقدام اس عمل کو مزید تقویت بخشنے کا اور مریضوں کی دیکھ بھال کے عمل کو مزید ہموار بنانے کے قابل کرے گا۔

ہم رواں کیلنڈر سال کی آخری سہ ماہی میں جوائنٹ کمیشن انٹرنیشنل (جے سی آئی) کا سروے توقع کر رہے ہیں۔ ہم مریضوں کی نگہداشت صحت کے ضمن میں تمام قواعد و ضوابط کی پابندی کے اپنے معمول کا مظاہرہ کرنے کے لیے پرجوش ہیں۔ یہ شفا کا تیسرا جے سی آئی سروے ہوگا اور ہم اس بات کو یقینی بناتے ہوئے مسلسل سروے کے لیے تیار (سی ایس آر) کے اصول کے لئے پرعزم ہیں کہ ہمارے تمام عمل ہر وقت معیاری طریقہ ہائے کار سے مطابقت رکھتے ہیں۔



# ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## مالیاتی کارکردگی

ایک مختصر مالیاتی تجزیہ درج ذیل طور پر پیش کیا گیا ہے۔

30 جون کو ختم ہونے والے سال کے مالیاتی نتائج (روپے "000 میں)			
تبدیلی فی صد	2022	2023	کاروباری کارکردگی کے نتائج
22	16,197,551	19,721,425	خالص آمدنی
(3)	637,429	617,015	دیگر آمدنی
21	(14,791,977)	(17,872,504)	آپریٹنگ لاگت
22	1,591,502	1,946,201	منافع قبل از ٹیکس
2	1,162,549	1,181,406	منافع بعد از ٹیکس
2	18.39	18.69	آمدنی فی شیئر - روپے

آپ کی کمپنی کا آمدنی میں گزشتہ سال کے مقابلے میں 22 فیصد اضافہ ہوا۔ آمدنی میں اضافے کے ساتھ آپریٹنگ اخراجات بھی 14,792 ملین روپے سے بڑھ کر 17,872 ملین روپے ہو گئی۔

کمپنی کے فی شیئر آمدنی پچھلے سال کے مقابلے میں 18.39 سے بڑھ کر 18.69 روپے ہو گئی ہے باوجود مشکل آپریٹنگ حالات کے، جس میں بگڑتے ہوئے معاشی اور سیاسی حالات، مقامی کرنسی کی قدر میں کافی حد تک کمی، پالیسی ریٹ میں اضافہ، درآمدی پابندیاں، تاریخی طور پر بلند ترین افراط زر اور براہ راست بالا واسطہ ٹیکسوں میں اضافہ ہے۔

## حصہ داران کو منافع

ڈائریکٹرز نے سال 2022-23 کے لئے 15 فیصد کی شرح سے (1.50 روپے فی حصص) حتمی نقد منافع کی تجویز کی ہے جو کمپنی کے سالانہ اجلاس عام میں حصہ داران کی منظوری سے مشروط ہے۔

## قومی خزانے میں حصہ

زیر غور سال کے دوران قومی خزانے میں کمپنی کا حصہ درج ذیل ہے:

(روپے 000 میں)	
538,198	براہ راست ٹیکسز
700,779	بالواسطہ ٹیکسز
1,140,333	سپلائرز، ملازمین وغیرہ سے ٹیکس کٹوتی
2,379,310	کل رقم

# DAR UL SHIFA

Shifa Neurosciences Institute

Dar ul Shifa  
Pharmacy



# NOTICE OF THE 37TH ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the members of Shifa International Hospitals Limited (the "Company") will be held at the registered office (C-0 Auditorium) of the Company at Sector H-8/4, Islamabad and also through video-link (Zoom Application) on Friday, October 27, 2023 at 1100 hours to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of 36th Annual General Meeting of the Company held on October 28, 2022.
2. To receive, consider and adopt the Annual Audited Accounts (consolidated and unconsolidated) of the Company for the year ended June 30, 2023 together with the directors' and auditors' report thereon.

The financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link:

<https://www.shifa.com.pk/annual-reports>

3. To approve the payment of cash dividend @ Rs. 1.50 per share for the year ended June 30, 2023 as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2024 and to fix their remuneration. The Audit Committee and the Board of Directors, have recommended the name of retiring auditors M/s BDO Ebrahim & Co, Chartered Accountants to be reappointed as auditors of the Company.

## SPECIAL BUSINESS

5. To consider and approve the circulation of the annual audited financial statements of the Company to its members through QR enabled code and weblink in accordance with S.R.O. 389(I)/2023 dated March 21, 2023 issued by the Securities and Exchange Commission of Pakistan (SECP) under the Companies Act 2017, and to pass the ordinary resolution set out in the statement of material facts circulated to the members along with a copy of this Notice

The statement of material facts under section 134(3) of the Companies Act, 2017 is annexed with this notice.

By Order of the Board



**MUHAMMAD NAEEM**

Company Secretary

**ISLAMABAD**

September 30, 2023



# NOTICE OF THE 37TH ANNUAL GENERAL MEETING

## NOTES:

### i) Participation in the Annual General Meeting (AGM) via physical presence or through video-conferencing:

Securities & Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in General Meeting through electronic means as a regular feature in addition to holding physical meetings. Accordingly, the shareholders intending to participate in the meeting via video link are hereby requested to share following information with the Company Secretary office at the earliest but not later than 48 hours before the time of AGM i.e. before 11:00 a.m. on October 25, 2023:

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

\*Shareholders are requested to provide their active mobile number and email address to ensure timely communication.

Members who are registered on or before October 25, 2023, after the necessary verification, will be provided a Zoom video-link by the Company via return email. The login facility will remain open from 1055 hours till the end of the meeting.

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

### ii) Closure of Share Transfer Books:

The share transfer books of the Company will remain closed from October 20, 2023 to October 27, 2023 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at the share registrar's office of the Company i.e. M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore, by the close of business on Thursday, October 19, 2023 will be considered as being in time, to entitle the transferees to the final cash dividend and to attend & vote at the AGM.

### iii) Appointment of Proxy:

A member entitled to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote for him/her. Proxies in order to be effective must be received at the registered office of the Company at Sector H-8/4, Islamabad, not less than 48 hours before the time of holding the meeting. Proxy form is attached with the notice.

CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

Guidelines for Central Depository Company of Pakistan ('CDC') Investor Account Holders:

### For appointing proxies

- a. In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- b. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to the Company.

#### iv) Payment of dividend through bank account of the shareholder:

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) to receive their cash dividend directly in their bank accounts instead of dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account. In the absence of shareholder's valid bank account details by October 19, 2023, the Company will be constrained to withhold dividend of such members.

CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

#### v) Submission of computerized national identity card (CNIC) /National Tax Number (NTN) for payment of Final Cash Dividend:

Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of members are mandatorily required for the payment of dividend. Members are, therefore, requested to submit a copy of their CNIC and/or NTN (if not already provided) to the Company to its registered address/ Share Registrar.

Shareholders maintaining their shareholdings under Central Depository System (CDS) are requested to submit the above information directly to relevant Participant/CDC Investor Account Service.

#### vi) Confirmation of "Filer" Status for Income Tax Withholding on Cash Dividend:

For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 are as follows:

a.	Rate of tax deduction for filer of income tax returns	15%
b.	Rate of tax deduction for non-filer of income tax returns	30%

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company / Share Registrar. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

# NOTICE OF THE 37TH ANNUAL GENERAL MEETING

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

## **vii) Exemption from deduction of Income Tax / Zakat:**

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or necessary documentary evidence for this purpose. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

CDC account holders are requested to submit their declaration for non-deduction of zakat to the relevant member stock exchange or to CDC if maintaining CDC investor account.

## **viii) Unclaimed Dividend/ shares U/s 244 of the Companies Act, 2017:**

As per the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with the SECP for the credit of Federal Government after issuance of notices to the shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision under Section 244(2) of the Companies Act, 2017 as and when notified by the SECP.

## **ix) Transmission of Audited Financial Statements/Notices Through Email:**

Pursuant to Notification vide SRO. 787(I)/2014 of September 08, 2014 & under section 223(6) of the Companies Act, 2017, circulation of Audited Financial Statements and Notice of AGM has been allowed in electronic format through email.

Shareholders who wish to receive AGM Notice/Audited Financial Statements in electronic form are requested to fill the standard request form (available on the company's website <https://www.shifa.com.pk/wp-content/uploads/2014/05/Request-Form-2018.pdf>) and send it to the Company's registered address.

In addition to above, the Company also placed its Financial Statements on its website [www.shifa.com.pk](http://www.shifa.com.pk).

## **x) Transmission of Annual Audited Financial Statements Through CD/DVD/USB:**

SECP through its SRO 470(1)2016 have allowed companies to circulate their Annual Audited Financial Statements to their members through CD/DVD//USB at their registered addresses. In view of the above, the Company has sent its Annual Report to the shareholders in the form of DVD.

Any member can send request for printed copy of the Annual Report of the Company on, a standard request form which is available at Company website (<https://www.shifa.com.pk/wp-content/uploads/2019/12/Financial-Statements-Request-Form.pdf>) duly signed alongwith copy of CNIC/PoA to the Company's Share Registrar.



**xi) Change of Address:**

Members are requested to notify any change in their registered addresses immediately.

**xii) Deposit of Physical Shares into Central Depository:**

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide its letter dated March 26, 2021 has advised to comply with Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

In view of the aforesaid requirement, the shareholders having physical shares are requested to open their CDC sub-account with any of the brokers or investors account maintained directly with CDC to convert their physical shares into scripless form.

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

**Company's Registered Office**

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

**Share Registrar's Office**

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

# STATEMENT OF MATERIAL FACTS

## AGENDA ITEM NO. 5 - INFORMATION RELATING TO CIRCULATION OF ANNUAL AUDITED ACCOUNTS THROUGH QR ENABLED CODE AND WEBLINK

The Board of Directors has recommended that as per the requirements under S.R.O. 389(I)/ 2023 dated March 21, 2023, issued by the SECP, shareholders' approval be sought to circulate the annual audited financial statements and related documents (included in the Annual report) through QR enabled code and weblink which would be included in the notice of the Annual General Meeting.

For this purpose, it is proposed that the following ordinary resolution be passed at the Annual General Meeting:

**"RESOLVED** that Company be and is hereby authorised and approved to circulate its annual audited financial statements and related documents (included in the annual report) to its members through a QR enabled code and weblink in accordance with S.R.O. 389(I)/2023 dated March 21, 2023 issued by the Securities and Exchange Commission of Pakistan."

The directors are not interested in this business except as shareholders of the Company.

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Shifa International Hospitals Limited - Year Ended June 30, 2023

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

1. The total number of directors are Eleven (11) (Ten elected and one ex-officio director) as per the following:

- a. Male: Ten (10)
- b. Female: One (01)

2. The composition of the Board is as follows:

Category	Names
Independent Directors*	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
Non-Executive Directors	Dr. Habib-Ur-Rahman Dr. Manzoor H. Qazi** Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad (Female Director) Prof. Dr. Shoab Ahmed Khan Dr. Jean-Christophe Maurice Charles Renondin***
Executive Directors	Dr. Zeeshan Bin Ishtiaque (Chief Executive Officer – Ex Officio Director)** Mr. Muhammad Zahid****

\* The total number of elected directors of the Company are ten (10) and one third of the same is equal to 3.33. As decimal digit is less than 1, therefore, the figure 3.33 has been rounded off to 3.

\*\* Dr. Manzoor H. Qazi was an Executive Director of the Company as he was the Chief Executive Officer of the Company until his resignation as CEO on March 30, 2023 and Dr. Zeeshan Bin Ishtiaque was appointed as CEO on March 31, 2023

\*\*\* Dr. Jean-Christophe Maurice Charles Renondin was appointed as director of the Company in place of Mr. Shafquat Ali Chaudhary on May 24, 2023. Dr. Renondin subsequently resigned on August 29, 2023

\*\*\*\* Mr. Muhammad Zahid was an Executive Director of the Company until September 12, 2023

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.



# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. As at June 30, 2023 eight of the existing Board members have completed the Director's Training Program (DTP). Out of the three remaining Directors, one could not take-up the DTP, during the year under review, as he resides in U.S.A. The other two directors (including CEO) include a newly co-opted director as on May 25, 2023 who was to acquire the directors' training program certification till May 24, 2024, however, he opted to resign on August 29, 2023. The Chief Executive Officer who has been appointed with effect from March 31, 2023 is required to acquire the director's training program certification till March 30, 2024. The Company arranged DTP for a male and female executives namely Mr. Muhammad Salam, Associate General Manager and Ms. Komal Fiza, Assistant Director, during the year.
10. The Board had approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, as and when made, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a) Audit Committee
    - i. Syed Ilyas Ahmed (Chairman)
    - ii. Dr. Habib Ur Rahman
    - iii. Dr. Samea Kauser Ahmad
    - iv. Mr. Javed K. Siddiqui
  - b) HR & Remuneration Committee
    - i. Syed Ilyas Ahmed (Chairman)
    - ii. Dr. Habib Ur Rahman
    - iii. Dr. Manzoor H. Qazi
    - iv. Dr. Mohammad Naseem Ansari
    - v. Mr. Qasim Farooq Ahmad
  - c) Corporate Governance & Nominations Committee
    - i. Mr. Muhammad Zahid (Chairman)\*
    - ii. Dr. Habib Ur Rahman
    - iii. Dr. Manzoor H. Qazi
    - iv. Dr. Samea Kauser Ahmad
    - v. Mr. Javed K. Siddiqui

\* Subsequently after June 30, 2023, the Committee has been reconstituted with Dr. Manzoor H. Qazi as its Chairman, Dr. Habib Ur Rahman, Dr. Samea Kauser Ahmad and Mr. Javed K. Siddiqui as its members

d) Risk Management Committee

- i. Mr. Qasim Farooq Ahmad (Chairman)
- ii. Prof. Dr. Shoab A. Khan
- iii. Dr. Mohammad Naseem Ansari

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a. Audit Committee: 9
  - b. HR and Remuneration Committee: 2
  - c. Corporate Governance & Nominations Committee: No meeting held
  - d. Risk Management Committee: No meeting held
15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of

Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and

non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

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



**DR. ZEESHAN BIN ISHTIAQUE**

Chief Executive Officer

ISLAMABAD

September 30, 2023



**DR. MANZOOR H. QAZI**

Director

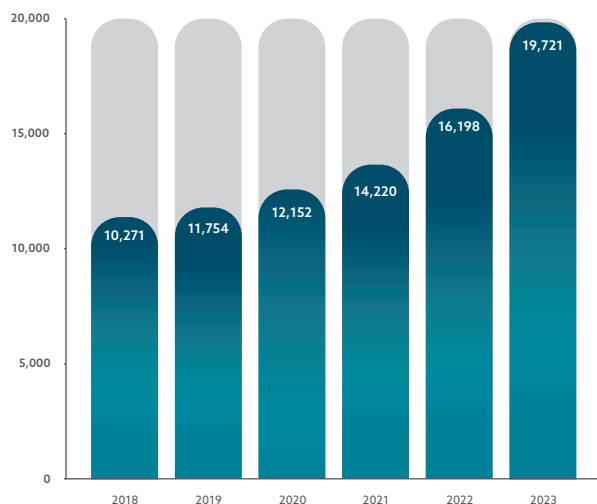
# SIX YEARS AT A GLANCE

		2023	2022	2021	2020	2019	2018
<b>PERFORMANCE</b>							
Operating profit margin	%	12.21	12.19	9.31	10.50	9.94	8.04
Net profit margin	%	6.00	7.18	4.92	4.16	6.62	5.42
Return on equity	%	11.54	12.82	8.61	7.53	14.43	11.14
Return on assets	%	13.05	11.47	7.93	8.36	9.79	8.14
Asset turnover	Times	1.07	0.94	0.85	0.80	0.98	1.01
<b>CAPITAL MARKET/CAPITAL STRUCTURE ANALYSIS</b>							
Market value per share (year end)	Rs.	122.49	179.14	219.15	233.36	219.80	270.00
Breakup value per share	Rs.	171.16	152.66	136.97	125.33	103.54	93.99
Market price to breakup value	Times	0.72	1.17	1.60	1.86	2.12	2.87
Earnings per share	Rs.	18.69	18.39	11.07	8.18	14.25	10.21
Price earning ratio	Times	6.55	9.74	19.79	28.53	15.42	26.44
Dividend per share (total)	Rs.	1.50	1.50	-	2.55	4.50	5.00
Dividend yield/effective dividend rate	%	1.22	0.84	-	1.09	2.05	1.85
Interest cover	Times	5.21	5.16	3.67	2.67	12.29	14.41
Debt : equity	Ratio	19:81	27:73	35:65	34:66	31:69	25:75
<b>LIQUIDITY</b>							
Current ratio		0.99	1.09	1.23	1.32	0.81	0.83
Quick ratio		0.78	0.91	1.06	1.10	0.63	0.64
<b>HISTORICAL TRENDS</b>							
<b>UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>							
Rupees in '000'							
Authorized share capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Issued, subscribed and paid up capital		632,144	632,144	619,749	619,749	545,379	545,379
Share premium		2,738,888	2,738,888	2,751,283	2,751,283	1,046,025	1,046,025
Surplus on revaluation of PP&E		936,615	867,283	792,396	760,346	772,019	723,310
Unappropriated profits		6,511,963	5,411,656	4,325,259	3,636,170	3,283,636	2,811,117
<b>Shareholders' equity</b>		<b>10,819,610</b>	<b>9,649,971</b>	<b>8,488,687</b>	<b>7,767,548</b>	<b>5,647,059</b>	<b>5,125,831</b>
Non-current liabilities		1,750,801	2,310,214	3,317,760	3,962,551	2,717,345	1,882,076
Current liabilities		5,892,382	5,251,868	4,886,521	3,529,154	3,573,255	3,137,871
<b>Total</b>		<b>18,462,793</b>	<b>17,212,053</b>	<b>16,692,968</b>	<b>15,259,253</b>	<b>11,937,659</b>	<b>10,145,778</b>
Property, plant and equipment		7,017,740	7,134,172	6,791,843	6,991,936	6,845,816	6,028,882
Intangible assets		41,834	53,365	31,343	57,414	83,711	33,477
Investment property - at cost		748,450	-	-	-	1,642,085	1,401,837
Long term investment - at cost		4,714,217	3,918,618	3,178,758	2,933,524	79,833	18,120
Long term deposits		91,616	85,324	96,260	111,740	87,211	60,736
Current assets		5,848,936	5,699,621	5,996,707	4,669,661	2,891,682	2,602,726
Non-current assets held for sale		-	320,953	598,057	494,978	307,321	-
<b>Total</b>		<b>18,462,793</b>	<b>17,212,053</b>	<b>16,692,968</b>	<b>15,259,253</b>	<b>11,937,659</b>	<b>10,145,778</b>
<b>UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>							
Rupees in '000'							
Revenue - net		19,721,425	16,197,551	14,219,718	12,151,762	11,754,393	10,270,597
Other income		617,015	637,429	107,479	637,219	44,290	63,084
Operating costs		(17,872,504)	(14,791,977)	(12,899,400)	(11,480,652)	(10,642,312)	(9,508,191)
Expected credit (losses) / reversal		(57,105)	(69,069)	(103,529)	(32,278)	11,853	-
<b>Operating profit</b>		<b>2,408,831</b>	<b>1,973,934</b>	<b>1,324,268</b>	<b>1,276,051</b>	<b>1,168,224</b>	<b>825,490</b>
Finance costs		(462,630)	(382,432)	(360,375)	(478,598)	(95,087)	(57,280)
Provision for taxation		(764,795)	(428,953)	(263,969)	(292,262)	(295,803)	(211,522)
<b>Profit after taxation</b>		<b>1,181,406</b>	<b>1,162,549</b>	<b>699,924</b>	<b>505,191</b>	<b>777,334</b>	<b>556,688</b>
<b>UNCONSOLIDATED STATEMENT OF CASH FLOWS</b>							
Rupees in '000'							
Net cash generated from operating activities		2,409,213	1,601,920	1,549,681	321,405	1,725,551	902,302
Net cash used in investing activities		(1,625,200)	(992,875)	(1,117,057)	(1,180,120)	(1,996,448)	(2,101,707)
Net cash (used in) / from financing activities		(1,260,718)	(1,517,527)	98,357	2,348,331	592,927	892,154
Changes in cash & cash equivalents (C&CE)		(476,705)	(908,482)	530,981	1,489,616	322,030	(307,251)
Cash & cash equivalents at beginning of the year		2,320,432	2,812,697	2,398,052	794,696	473,479	781,194
Effect of exchange rate changes on C&CE		375,706	416,217	(116,336)	113,740	(813)	(464)
<b>Cash &amp; cash equivalents at end of the year</b>		<b>2,219,433</b>	<b>2,320,432</b>	<b>2,812,697</b>	<b>2,398,052</b>	<b>794,696</b>	<b>473,479</b>

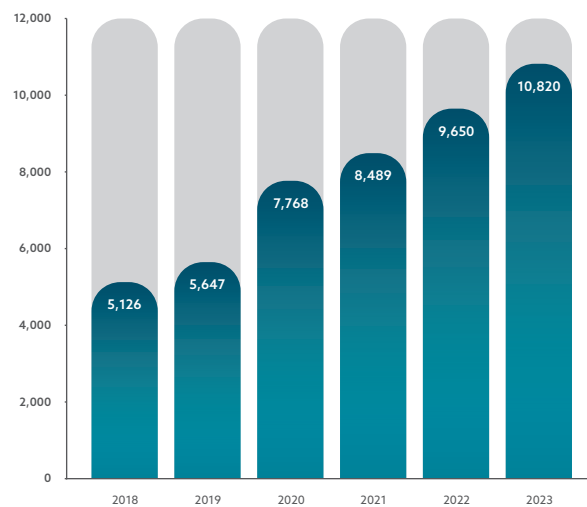


# SIX YEARS AT A GLANCE - GRAPHS

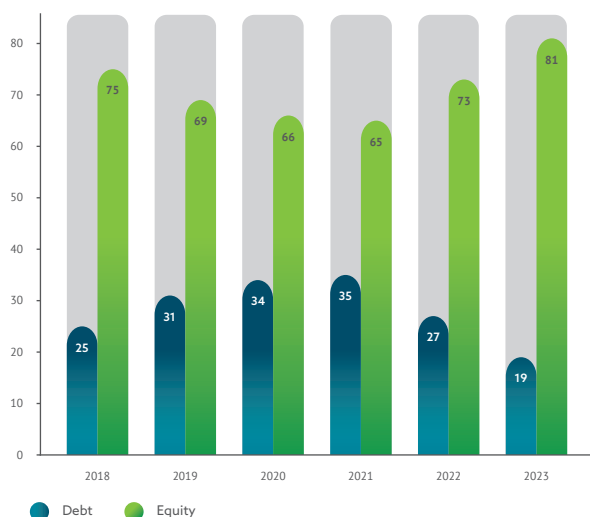
Revenue (Rs. in Million)



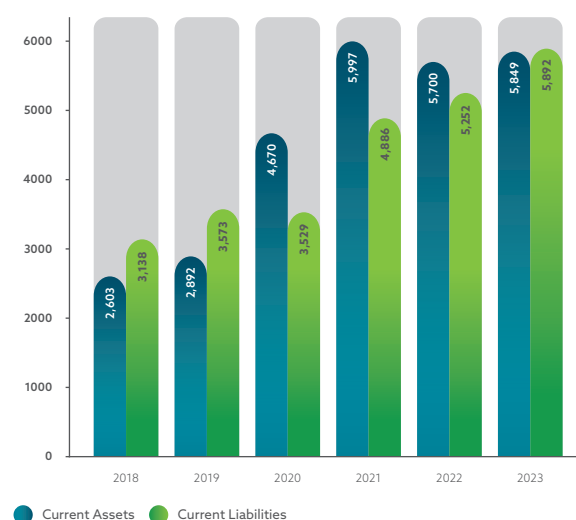
Shareholders' Equity (Rs. in Million)



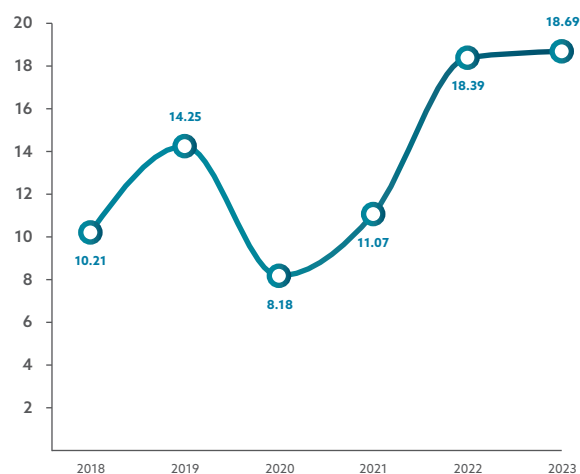
Debt Equity Ratio (%)



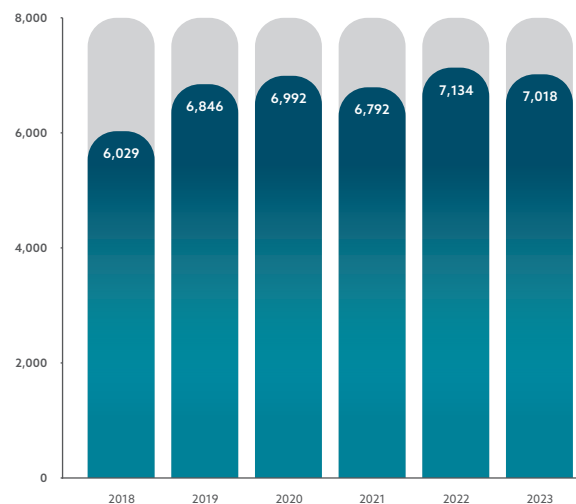
Current Assets & Current Liabilities (Rs. in Million)



Earnings Per Share (Rs.)



Property, Plant and Equipment (Rs. in Million)



# HORIZONTAL ANALYSIS

	2023		2022	
	Rs in '000'	23 Vs. 22 %	Rs in '000'	22 Vs. 21 %
<b>UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
<b>SHARE CAPITAL &amp; RESERVES</b>				
Issued, subscribed and paid up capital	632,144	-	632,144	2.0
Share premium	2,738,888	-	2,738,888	(0.5)
Surplus on revaluation of PP&E	936,615	8	867,283	9
Unappropriated profits	6,511,963	20.3	5,411,656	25
<b>Shareholders' equity</b>	<b>10,819,610</b>	<b>12</b>	<b>9,649,971</b>	<b>14</b>
Non-current liabilities	1,750,801	(24)	2,310,214	(30)
Current liabilities	5,892,382	12	5,251,868	7
<b>Total</b>	<b>18,462,793</b>	<b>7</b>	<b>17,212,053</b>	<b>3</b>
<b>ASSETS</b>				
Property, plant and equipment	7,017,740	(2)	7,134,172	5
Intangible assets	41,834	(22)	53,365	70
Investment property - at cost	748,450	100	-	-
Long term investments - at cost	4,714,217	20	3,918,618	23
Long term deposits	91,616	7	85,324	(11)
Current assets	5,848,936	3	5,699,621	(5)
Non-current assets held for sale	-	(100)	320,953	(46)
<b>Total</b>	<b>18,462,793</b>	<b>7</b>	<b>17,212,053</b>	<b>3</b>
<b>UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>				
Revenue - net	19,721,425	22	16,197,551	14
Other income	617,015	(3)	637,429	493
Operating costs	(17,872,504)	21	(14,791,977)	15
Expected credit (losses)/reversal	(57,105)	(17)	(69,069)	(33)
<b>Operating profit</b>	<b>2,408,831</b>	<b>22</b>	<b>1,973,934</b>	<b>49</b>
Finance costs	(462,630)	21	(382,432)	6
Provision for taxation	(764,795)	78	(428,953)	63
<b>Profit after taxation</b>	<b>1,181,406</b>	<b>2</b>	<b>1,162,549</b>	<b>66</b>

2021		2020		2019		2018	
Rs in '000'	21 Vs. 20 %	Rs in '000'	20 Vs. 19 %	Rs in '000'	19 Vs. 18 %	Rs in '000'	18 Vs. 17 %
619,749	-	619,749	14	545,379	-	545,379	-
2,751,283	-	2,751,283	163	1,046,025	-	1,046,025	-
792,396	4	760,346	(2)	772,019	6.7	723,310	(0.5)
4,325,259	19	3,636,170	11	3,283,636	17	2,811,117	10
8,488,687	9	7,767,548	38	5,647,059	10	5,125,831	5
3,317,760	(16)	3,962,551	46	2,717,345	44	1,882,076	223
4,886,521	38	3,529,154	(1)	3,573,255	14	3,137,871	37
16,692,968	9	15,259,253	28	11,937,659	18	10,145,778	31
6,791,843	(3)	6,991,936	2	6,845,816	14	6,028,882	10
31,343	(45)	57,414	(31)	83,711	150	33,477	216
-	-	-	(100)	1,642,085	17	1,401,837	100
3,178,758	8	2,933,524	3,575	79,833	341	18,120	-
96,260	(14)	111,740	28	87,211	44	60,736	34
5,996,707	28	4,669,661	61	2,891,682	11	2,602,726	17
598,057	21	494,978	61	307,321	100	-	-
16,692,968	9	15,259,253	28	11,937,659	18	10,145,778	31
14,219,718	17	12,151,762	3	11,754,393	14	10,270,597	11
107,479	(83)	637,219	1,339	44,290	(30)	63,084	(54)
(12,899,400)	12	(11,480,652)	8	(10,642,312)	12	(9,508,191)	12
(103,529)	221	(32,278)	(372)	11,853	100	-	-
1,324,268	4	1,276,051	9	1,168,224	42	825,490	(11)
(360,375)	(25)	(478,598)	403	(95,087)	66	(57,280)	(14)
(263,969)	(10)	(292,262)	(1)	(295,803)	40	(211,522)	(17)
699,924	39	505,191	(35)	777,334	40	556,688	(8)



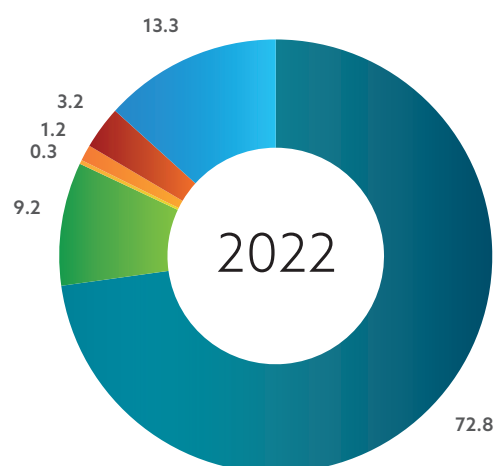
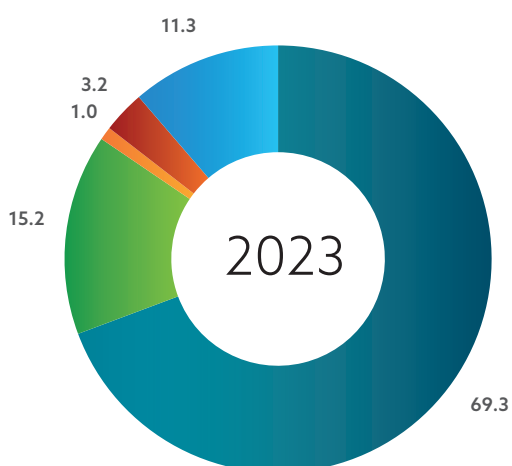
# VERTICAL ANALYSIS

	2023		2022	
	Rs in '000'	%	Rs in '000'	%
<b>UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
<b>SHARE CAPITAL &amp; RESERVES</b>				
Issued, subscribed and paid up capital	632,144	3	632,144	4
Share premium	2,738,888	15	2,738,888	16
Surplus on revaluation of PP&E	936,615	5	867,283	5
Unappropriated profits	6,511,963	35	5,411,656	31
<b>Shareholders' equity</b>	<b>10,819,610</b>	<b>58</b>	<b>9,649,971</b>	<b>56</b>
Non-current liabilities	1,750,801	10	2,310,214	13
Current liabilities	5,892,382	32	5,251,868	31
<b>Total</b>	<b>18,462,793</b>	<b>100</b>	<b>17,212,053</b>	<b>100</b>
<b>ASSETS</b>				
Property, plant and equipment	7,017,740	38.0	7,134,172	41.4
Intangible assets	41,834	0.2	53,365	0.3
Investment property - at cost	748,450	4.1	-	-
Long term investments - at cost	4,714,217	25.5	3,918,618	22.8
Long term deposits	91,616	0.5	85,324	0.5
Current assets	5,848,936	31.7	5,699,621	33.1
Non-current assets held for sale	-	-	320,953	1.9
<b>Total</b>	<b>18,462,793</b>	<b>100</b>	<b>17,212,053</b>	<b>100</b>
<b>UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>				
Revenue - net	19,721,425	100	16,197,551	100
Other income	617,015	3.1	637,429	3.9
Operating costs	(17,872,504)	(90.6)	(14,791,977)	(91.3)
Expected credit (losses)/reversal	(57,105)	(0.3)	(69,069)	(0.4)
<b>Operating profit</b>	<b>2,408,831</b>	<b>12.2</b>	<b>1,973,934</b>	<b>12.2</b>
Finance costs	(462,630)	(2.3)	(382,432)	(2.4)
Provision for taxation	(764,795)	(3.9)	(428,953)	(2.6)
<b>Profit after taxation</b>	<b>1,181,406</b>	<b>6.0</b>	<b>1,162,549</b>	<b>7.2</b>

2021		2020		2019		2018	
Rs in '000'	%	Rs in '000'	%	Rs in '000'	%	Rs in '000'	%
619,749	4	619,749	4	545,379	5	545,379	5
2,751,283	16	2,751,283	18	1,046,025	9	1,046,025	10
792,396	5	760,346	5	772,019	6	723,310	7
4,325,259	26	3,636,170	24	3,283,636	27	2,811,117	28
8,488,687	51	7,767,548	51	5,647,059	47	5,125,831	50
3,317,760	20	3,962,551	26	2,717,345	23	1,882,076	19
4,886,521	29	3,529,154	23	3,573,255	30	3,137,871	31
16,692,968	100	15,259,253	100	11,937,659	100	10,145,778	100
6,791,843	40.7	6,991,936	45.8	6,845,816	57.3	6,028,882	59.4
31,343	0.2	57,414	0.4	83,711	0.7	33,477	0.3
-	-	-	-	1,642,085	13.8	1,401,837	13.8
3,178,758	19.0	2,933,524	19.2	79,833	0.7	18,120	0.2
96,260	0.6	111,740	0.7	87,211	0.7	60,736	0.6
5,996,707	35.9	4,669,661	30.6	2,891,682	24.2	2,602,726	25.7
598,057	3.6	494,978	3.2	307,321	2.6	-	-
16,692,968	100	15,259,253	100	11,937,659	100	10,145,778	100
14,219,718	100	12,151,762	100	11,754,393	100	10,270,597	100
107,479	1.0	637,219	5.2	44,290	0.4	63,084	0.6
(12,899,400)	(91.0)	(11,480,652)	94.5	(10,642,312)	90.5	(9,508,191)	92.6
(103,529)	(1.0)	(32,278)	0.3	11,853	0.1	-	-
1,324,268	9	1,276,051	10.5	1,168,224	10	825,490	8
(360,375)	(3.0)	(478,598)	3.9	(95,087)	0.8	(57,280)	0.6
(263,969)	(2.0)	(292,262)	2.4	(295,803)	2.6	(211,522)	2
699,924	5.0	505,191	4.2	777,334	6.6	556,688	5.4

# STATEMENT OF VALUE ADDITION

	2023		2022	
	Rupees in '000'	%	Rupees in '000'	%
<b>Value added</b>				
Total Revenue inclusive of other income	20,338,440		16,834,980	
Supplies and other operating costs	10,711,654		8,828,276	
Total value added	9,626,786		8,006,704	
<b>Value allocated</b>				
<b>To employees</b>				
Salaries, wages and other benefits	6,670,502	69.3	5,827,983	72.8
<b>To Government</b>				
Income tax, sales tax and federal excise duty etc	1,465,574	15.2	738,458	9.2
<b>To society</b>				
Donation	-	-	25,000	0.3
<b>To providers of capital</b>				
Dividend to shareholders	94,822	1.0	94,822	1.2
Finance cost of borrowed funds	309,304	3.2	252,714	3.2
	404,126	4.2	347,536	4.4
Retained in the Company	1,086,584	11.3	1,067,727	13.3
Total value allocated	9,626,786	100	8,006,704	100



● Salaries, wages and other benefits
 ● Income tax, sales tax and federal excise duty
 ● Donation
 ● Dividend to shareholders
 ● Finance cost of borrowed funds
 ● Retained in the Company





# UNCONSOLIDATED **FINANCIAL STATEMENTS**

For the year ended June 30, 2023



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Saeed Plaza,  
22-East Blue Area,  
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Pakistan.

## **REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **SHIFA INTERNATIONAL HOSPITALS LIMITED** for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

**ISLAMABAD**

**DATED: 30 September 2023**

**UDIN : CR202310095kZ8WzHbKB**

  
**CHARTERED ACCOUNTANTS**

Engagement Partner: Abdul Qadeer



**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHIFA INTERNATIONAL HOSPITALS LIMITED****Report on the Audit of the Unconsolidated Financial Statements****Opinion**

We have audited the annexed unconsolidated financial statements of **SHIFA INTERNATIONAL HOSPITALS LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows, together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matters**

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





Following are the key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b> (Refer note 28 to the financial statement)</p> <p>Revenue consists of inpatient revenue, outpatient revenue, pharmacy, cafeteria, rent of building and other services.</p> <p>During the year ended June 30, 2023, the Company recognised aggregate revenue of Rs. 19,950.638 million from rendering of services to inpatients, outpatients, external pharmacy outlets, cafeteria sales, operating leases to related parties/ other parties and corporate services to subsidiaries/ associate respectively.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions with a large number of customers in various geographical locations and revenue being one of the key performance indicator of the Company. Accordingly, it was considered as a key audit matter.</p>	<p>Our procedures in relation to revenue recognition, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated management controls over revenue and checked their validations;</li> <li>• Performed test of controls and evaluation of Information Technology General Controls (ITGC) with the assistance of our IT expert to assess the operating effectiveness of controls related to the automation of revenue recognition;</li> <li>• Checked that revenue has been recognised in accordance with the Company's accounting policy and the applicable reporting framework;</li> <li>• Performed verification of sample of revenue transactions with underlying documentation including invoices, agreements, charge-sheets and other relevant underlying documents;</li> <li>• Checked cash receipts from customers on sample basis against the revenue booked during the year;</li> <li>• Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;</li> <li>• Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and</li> <li>• Assessed the appropriateness of disclosures made in the financial statements related to revenue as required under the applicable reporting framework.</li> </ul>



Sr. No.	Key audit matters	How the matter was addressed in our audit
2.	<p><b>Expected credit loss allowance on trade debts</b> (Refer note 21 to the financial statement)</p> <p>The Company has recognised balance of an expected credit loss allowance of Rs. 226.563 million on gross amount of trade debts of Rs. 1,592.685 million as at June 30, 2023.</p> <p>Under IFRS 9, the Company is required to recognise expected credit loss allowance for financial assets using Expected Credit Loss (ECL) model. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information etc. We have considered the expected credit loss assessment as a key audit matter due to the significance of estimates and judgments involved.</p>	<p>Our audit procedures in relation to expected credit loss assessment of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Understood the management's process for estimating the ECL in relation to trade debts. Assessed and evaluated the assumptions used by the management in determining impairment loss under the ECL model;</li> <li>• Checked appropriateness of ageing, on sample basis, by comparing individual balances with underlying documentation;</li> <li>• Reviewed the appropriateness of assumptions used for ECL computation from relevant external and internal sources;</li> <li>• Circularized balance confirmation for trade debtors on sample basis and evaluated responses received;</li> <li>• Checked subsequent clearance of balances due as of June 30, 2023 on sample basis; and</li> <li>• Assessed the appropriateness of disclosures related to impairment assessment of trade debts as required under the applicable reporting framework.</li> </ul>

#### Information Other than the Unconsolidated Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditors report thereon.

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

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





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

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

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors Responsibilities for the Audit of the Unconsolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and



- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

**Other Matter Paragraph**

The unconsolidated financial statements of the Company for the year ended June 30, 2022 were audited by another firm of chartered accountants, who had expressed an unmodified opinion vide their report dated September 30, 2022.

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

ISLAMABAD

DATED: 30 September 2023

UDIN: AR202310095c5RAEhnIU

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS



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# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	2023 (Rupees in '000')	2022
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 100,000,000 (2022: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital	5	632,144	632,144
<b>Capital reserves</b>			
Share premium	6	2,738,888	2,738,888
Surplus on revaluation of property, plant and equipment	7	936,615	867,283
<b>Revenue reserves</b>			
Unappropriated profits		6,511,963	5,411,656
		10,819,610	9,649,971
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	8	868,611	1,273,101
Deferred liabilities	9	423,143	342,828
Lease liabilities	10	459,047	694,285
		1,750,801	2,310,214
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	4,644,160	3,587,444
Unclaimed dividend		36,955	40,778
Markup accrued	12	70,874	35,658
Current portion of long term financing - secured	8	871,798	1,334,536
Current portion of lease liabilities	10	268,595	253,452
		5,892,382	5,251,868
		18,462,793	17,212,053
<b>CONTINGENCIES AND COMMITMENTS</b>	13		

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

		2023	2022
	Note	(Rupees in '000')	
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	14	7,017,740	7,134,172
Intangible assets	15	41,834	53,365
Investment property - at cost	16	748,450	-
Long term investments - at cost	17	4,714,217	3,918,618
Long term deposits	18	91,616	85,324
		<b>12,613,857</b>	11,191,479
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	19	251,698	210,189
Stock in trade	20	982,498	711,968
Trade debts	21	1,366,122	964,769
Loans and advances	22	145,230	235,814
Deposits, prepayments and other receivables	23	289,284	296,043
Markup accrued		2,077	2,129
Other financial assets	24	307,919	513,235
Tax refunds due from the government (net of provision)	25	287,675	448,042
Cash and bank balances	26	2,216,433	2,317,432
		<b>5,848,936</b>	5,699,621
Non - current assets held for sale	27	-	320,953
		<b>18,462,793</b>	17,212,053



CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

		2023	2022
	Note	(Rupees in '000')	
Revenue - net	28	19,721,425	16,197,551
Other income	29	617,015	637,429
Operating costs	30	(17,872,504)	(14,791,977)
Finance costs	31	(462,630)	(382,432)
Expected credit losses	23.3 & 41.1.3	(57,105)	(69,069)
Profit before taxation		1,946,201	1,591,502
Provision for taxation	32	(764,795)	(428,953)
Profit after taxation		1,181,406	1,162,549
Earnings per share - basic and diluted (Rupees)	33	18.69	18.39

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER



# UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
Profit after taxation		1,181,406	1,162,549
<b>Other comprehensive income:</b>			
<b>Items that will not be subsequently reclassified in the unconsolidated statement of profit or loss:</b>			
Loss on remeasurement of staff gratuity fund benefit plan	11.5.4	(26,884)	(23,961)
Deferred tax relating to remeasurement of staff gratuity fund benefit plan		10,485	7,907
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)		(16,399)	(16,054)
Surplus on revaluation of land		99,454	109,611
		83,055	93,557
Total comprehensive income for the year		1,264,461	1,256,106

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profits	Total
(Rupees in '000')					
<b>Balance as at July 01, 2021</b>	619,749	2,751,283	792,396	4,325,259	8,488,687
<b>Total comprehensive income for the year</b>					
Profit after taxation	-	-	-	1,162,549	1,162,549
Other comprehensive income - net of tax	-	-	109,611	(16,054)	93,557
	-	-	109,611	1,146,495	1,256,106
Realisation of revaluation surplus on disposal of assets	-	-	(24,883)	24,883	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(9,841)	9,841	-
<b>Distribution to owners</b>					
Bonus shares issued for the year ended June 30, 2021 @ 2 %	12,395	(12,395)	-	-	-
Dividend-Interim 2022 @ Rs. 1.5 per share	-	-	-	(94,822)	(94,822)
<b>Balance as at June 30, 2022</b>	632,144	2,738,888	867,283	5,411,656	9,649,971
<b>Total comprehensive income for the year</b>					
Profit after taxation	-	-	-	1,181,406	1,181,406
Other comprehensive income - net of tax	-	-	99,454	(16,399)	83,055
	-	-	99,454	1,165,007	1,264,461
Realisation of revaluation surplus on disposal of assets	-	-	(19,463)	19,463	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(10,659)	10,659	-
<b>Distribution to owners</b>					
Dividend-Final 2022 @ Rs. 1.5 per share	-	-	-	(94,822)	(94,822)
<b>Balance as at June 30, 2023</b>	632,144	2,738,888	936,615	6,511,963	10,819,610

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,946,201	1,591,502
<b>Adjustments for:</b>		
Depreciation / amortisation on tangible assets	992,015	902,448
Amortisation on intangible assets	11,531	21,568
Expected credit losses	57,105	69,069
Property, plant and equipment written off	8,222	2,234
Gain on disposal of tangible assets	(42,202)	(69,269)
Gain on termination of right of use assets	(5,063)	-
Provision for compensated absences	72,408	67,049
Provision for defined contribution plan	94,703	53,655
Provision for bonus for employees	134,864	125,814
Provision for gratuity	90,507	159,116
(Reversal) / charged of provision for slow moving stores	(5,923)	2,687
Loss on disposal of slow moving stores	3,866	-
Gain on investments and bank deposits	(137,560)	(97,922)
Gain on foreign currency translation	(375,706)	(416,217)
Finance costs	462,630	382,432
Operating cash flows before changes in working capital	3,307,598	2,794,166
<b>Changes in working capital:</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(39,452)	(47,564)
Stock-in-trade	(270,530)	(53,688)
Trade debts	(458,458)	(158,832)
Loans and advances	90,584	101,845
Deposits, prepayments and other receivables	(9,322)	(251,637)
<b>Increase in current liabilities:</b>		
Trade and other payables	959,281	213,930
	272,103	(195,946)
Cash generated from operations	3,579,701	2,598,220
Finance costs paid	(334,925)	(275,712)
Income tax paid	(538,198)	(405,208)
Payment to SIHL Employees' Gratuity Fund Trust	(141,271)	(241,218)
Compensated absences paid	(58,095)	(49,695)
Payment to defined contribution plan	(97,999)	(24,467)
Net cash generated from operating activities	2,409,213	1,601,920



# UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property, plant and equipment (PPE)		(1,264,001)	(672,903)
Addition to intangible assets		-	(43,590)
Outlay against long term investments		(795,599)	(739,860)
Encashment of other financial assets - net		269,492	165,124
Proceeds from disposal of PPE and items classified held for sale		97,663	251,206
Markup received		44,578	15,112
Dividend received		28,858	25,463
(Decrease) / increase in long term deposits		(6,191)	6,573
Net cash used in investing activities		(1,625,200)	(992,875)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - repayments		(1,353,678)	(1,417,563)
Proceeds from long term financing		470,534	212,009
Deferred grant received		15,918	47,060
Lease liabilities - repayments		(294,847)	(269,831)
Dividend paid		(98,645)	(89,202)
Net cash used in financing activities		(1,260,718)	(1,517,527)
Net decrease in cash and cash equivalents		(476,705)	(908,482)
<b>Cash and cash equivalents at beginning of the year</b>		<b>2,320,432</b>	<b>2,812,697</b>
Effect of exchange rate changes on cash and cash equivalents		375,706	416,217
<b>Cash and cash equivalents at end of the year</b>	39	<b>2,219,433</b>	<b>2,320,432</b>

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 1 STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited (the Company/SIHL) was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) 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.

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, lab collection points and pharmacies in different cities of Pakistan.

Geographical locations of business units of the Company are as follows:

H-8 Hospital, Pitras Bukhari road, Sector H-8/4, Islamabad

G-10 Hospital, G-10 Markaz, Islamabad

Shifa Pharmacy, Gulberg Greens, Islamabad

Shifa Pharmacy, F-11 Markaz, Islamabad

Faisalabad Hospital, Main Jaranwala road, Faisalabad

Shifa Pharmacy, Iskandarabad, Mianwali

Shifa Pharmacy, National Radio Telecommunication Corporation, Haripur

Shifa Pharmacy, Telephone Industries of Pakistan, Haripur

Shifa Pharmacy, Ring Road, Peshawar

Shifa Pharmacy, Jamrud Road, Peshawar

Shifa Pharmacy, WAPDA, Mangla

Shifa Medical and Facilitation Center, Hayatabad, Peshawar

Percentage share in total revenue given in note 28.	2023	2022
Islamabad	97%	97%
Faisalabad	3%	3%
	100%	100%

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 2.2 Basis of measurement

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

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

## 2.3 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional currency.

## 2.4 Use of estimates and judgments

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

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

The areas where various assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimate of fair value of financial liabilities at initial recognition - notes 4.3, 4.15.4 and 8
- ii) Provision for taxation - notes 4.4, 9 and 32
- iii) Right of use assets and corresponding lease liability - notes 4.5, 10 and 14
- iv) Employee benefits - notes 4.7, 11.4 and 11.5
- v) Provisions and contingencies - notes 4.8, 4.9 and 13
- vi) Estimate of useful life of property, plant and equipment - notes 4.10 and 14
- vii) Estimate of useful life of intangible assets - notes 4.11 and 15
- viii) Impairment of non-financial assets - note 4.13
- ix) Estimate of recoverable amount of investment in subsidiaries and associated companies - notes 4.14 and 17
- x) Expected credit loss allowance - notes 4.15.2, 23.3 and 41.1.3
- xi) Provision for slow moving stores, spares and loose tools - notes 4.16, 4.17, 14.9.2 and 19



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

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

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

		Effective date annual reporting periods beginning on or after
IAS 1	Presentation of Financial Statements (Disclosure of accounting policies Amendments)	January 1, 2023
IAS 7	Statements of Cash Flows (Amendments)	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 1	Presentation of Financial Statements (Non-current liabilities with covenants Amendments)	January 1, 2024
IFRS 7	Financial Instruments	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024

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

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2023:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service Concession Arrangements

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 4.1 Share capital and dividend

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.2 Financing and finance cost

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

## 4.3 Government grants

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

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

Grants that compensate the Company for expenses incurred, are recognised on a systematic basis in the income for the year in which the finance cost are recognised and finance cost are reported net of grant in note 31.

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

## 4.4 Taxation

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

### Current

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

### Deferred

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

## **4.5 Leases**

### **4.5.1 Right of use assets (ROUs)**

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

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

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

### **4.5.2 Lease liability**

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

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



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

## **4.6 Trade and other payables**

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

## **4.7 Employee benefits**

### **Defined benefit plan**

The Company operates approved funded gratuity scheme for all its non management employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the unconsolidated statement of profit or loss. The actuarial gain or loss at each evaluation date is charged to unconsolidated statement of comprehensive income.

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

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

### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan where monthly contribution equal to 1/12th of eligible salary are made by the Company in employees' pension fund account maintained with designated asset management company and recognised as expense in the unconsolidated statement of profit or loss as and when they become due. Employees will be eligible for pension fund on the completion of minimum qualifying period. On fulfilment of criteria accumulated contribution against qualifying period of services from the date of joining classified as deferred liability and will be transferred to employees' pension fund account.

### **Compensated absences**

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.8 Provisions

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

## 4.9 Contingencies

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

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

## 4.10 Property, plant and equipment

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

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

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

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

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

## **4.11 Intangible assets**

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

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

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

## **4.12 Investment property - at cost**

Investment property, principally comprising of land, is held for long term capital appreciation and is valued using the cost method i.e. at cost less impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs, if any.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as income or expense in the unconsolidated statement of profit or loss.

## **4.13 Impairment of non - financial assets**

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

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

## **4.14 Investments**

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

### **4.14.1 Investment in subsidiaries**

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.14.2 Investment in associate

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

## 4.15 Financial assets

### Initial measurement

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

The Company classifies its financial assets into following three categories:

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

### Subsequent measurement

#### i) Debt instrument at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gain or loss and impairment are recognised in the unconsolidated statement of profit or loss. Other net gain or loss is recognised in the unconsolidated statement of comprehensive income. On derecognition, gain or loss accumulated in the unconsolidated statement of comprehensive income is reclassified to the unconsolidated statement of profit or loss.

#### ii) Equity instrument at FVOCI

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

#### iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain or loss, including any interest / markup or dividend income, is recognised in the unconsolidated statement of profit or loss.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## iv) Financial asset at amortised cost

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

### 4.15.1 Other financial assets

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

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

### 4.15.2 Impairment of financial assets

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

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

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date reduced by security deposit held. For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

## **4.15.3 Derecognition**

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

## **4.15.4 Financial liabilities**

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain or loss are recognised in the unconsolidated statement of profit or loss. Any gain or loss on derecognition is also recognised in the unconsolidated statement of profit or loss.

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

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

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

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

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## **4.17 Stock in trade**

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

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

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

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

## **4.19 Cash and cash equivalents**

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

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

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

## **4.21 Foreign currencies**

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

## **4.22 Operating segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the board of directors view the Company's operations as one reportable segment.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.23 Revenue recognition

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

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

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

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

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

Scrap sales and miscellaneous receipts are recognised on realised amounts.

## 4.24 Earnings per share

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

## 4.25 Fair value measurement

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
2023		2022	2023	
(Number)			(Rupees in '000')	
61,974,886	61,974,886	Ordinary shares of Rs.10 each issued for cash	619,749	619,749
1,239,497	1,239,497	Ordinary shares of Rs.10 each issued as fully paid bonus shares	12,395	12,395
63,214,383	63,214,383		632,144	632,144

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

5.2 7,585,725 (2022: 7,585,725) ordinary shares representing 12% (2022: 12%) shareholding in the Company are owned by International Finance Corporation (IFC). IFC has the right to nominate one director at the board of directors of the Company as long as IFC holds ordinary shares representing 5% of total issued share capital of the Company. Further, the Company if intends to amend or repeal the memorandum and articles, effects the rights of IFC on its shares issuance of preference shares ranking seniors to the equity securities held by IFC, incur any financial debt to any shareholder, change the nature of the business of the Company etc. shall seek consent of IFC.

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

## 5.4 Capital management

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

	2023	2022
	(Rupees in '000')	
Equity	10,819,610	9,649,971
Debt including impact of lease liabilities	2,468,051	3,555,374
Debt to equity ratio	0.19	0.27

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 6 SHARE PREMIUM

This comprise of share premium of Rs. 5, Rs. 250 and Rs. 229.29 per share received on issue of 8,000,000, 4,024,100 and 7,436,986 ordinary shares of Rs. 10 each in the years 1994, 2016 and 2020 respectively. Out of the above the Company during the year ended June 30, 2022 has issued bonus shares at the rate of 2 % (total 1,239,497 bonus shares having face value of Rs. 10 each) as approved in Annual General meeting held on October 28, 2021. The balance reserve cannot be utilised except for the purposes mentioned in section 81 of the Companies Act, 2017.

	2023	2022
<b>7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	<b>(Rupees in '000')</b>	
Balance at beginning of the year	<b>867,283</b>	792,396
Revaluation surplus during the year	<b>99,454</b>	109,611
Realisation of revaluation surplus on disposal of assets	<b>(19,463)</b>	(24,883)
Transferred to unappropriated profits in respect of incremental depreciation / amortisation charged during the year	<b>(10,659)</b>	(9,841)
Balance at end of the year	<b>936,615</b>	867,283

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023	2022
8	LONG TERM FINANCING - SECURED	Note	(Rupees in '000')
	<b>From banking companies and non banking financial institution:</b>		
	Syndicated Islamic Finance Facility	8.1	713,818
	Diminishing Musharakah Facility-1	8.2	72,176
	Diminishing Musharakah Facility-2	8.3	250,000
	Diminishing Musharakah Facility-3	8.4	407,196
	Refinance Facility to Combat COVID-19 (RFCC)	8.5	111,419
	Deferred income - Government grant		27,830
			139,249
	Islamic Refinance Facility to Combat COVID -19 (IRFCC)	8.6	107,798
	Deferred income - Government grant		13,313
			121,111
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	8.7	29,412
	Deferred income - Government grant		7,447
			36,859
	State Bank of Pakistan (SBP) - refinance scheme	8.8	-
	Deferred income - Government grant		-
			-
			1,740,409
	Less: current portion		871,798
			868,611

**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% (2022: 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 repayable by August 22, 2024. The financing is secured by 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 H-8/4 Islamabad.

**8.2** This includes outstanding balance of Rs. 19.6 million (2022: Rs. 210.4 million) against the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (2022: Rs. 449.5 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (2022: 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 (2022: Rs. 20.7 million). This also includes an outstanding balance of Rs. 52.6 million (2022: Rs. 40.3 million) against long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 83.2 million (2022: Rs. 57.7 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (2022: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is nil (2022: Rs. 12.3 million).

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 8.3** This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (2022: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (2022: 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.
- 8.4** This represents a long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 407.2 million (2022: Rs. 26.2 million). Principal amount is repayable in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.70% (2022: 3 months KIBOR plus 0.70%) per annum. The financing is initially secured by ranking charge of Rs. 800 million and will be upgraded to first exclusive charge against plant and machinery being financed under DM facility to be installed / placed at Hospital located at H-8/4, Islamabad. The unavailed limit of this facility is Rs. 179.9 million (2022: Rs. 492.9 million).
- 8.5** This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 185.2 million (2022: Rs. 124.6 million). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly installments carrying profit at 1% 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. The unavailed limit of this facility is nil (2022: Rs. 75.4 million). Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognised at present value using the Company's effective profit rate along with the recognition of government grant as detailed below:

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	29,483	-
Received during the year	12,013	29,857
Amortisation during the year	(13,666)	(374)
Balance at end of the year	27,830	29,483

- 8.6** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (2022: Rs. 183.1 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). The unavailed limit of this facility is nil (2022: Rs. 16.9 million). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognised at present value using the Company's effective profit rate along with the recognition of government grant as detailed below:



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	20,014	25,526
Received during the year	3,905	5,140
Amortisation during the year	(10,606)	(10,652)
Balance at end of the year	13,313	20,014

- 8.7** This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (2022: Rs. 45.9 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 in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by exclusive 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 recognised at present value using the Company's effective profit rate along with the recognition of government grant as detailed below:

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	11,775	-
Received during the year	-	12,063
Amortisation during the year	(4,328)	(288)
Balance at end of the year	7,447	11,775

- 8.8** This represented the long term finance facility 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 at a subsidised markup rate of 0.85% per annum. The facility with sanctioned limit of Rs. 1,012.2 million has been fully repaid on January 27, 2023. The facility was secured by first pari passu charge of Rs. 1,333.3 million over fixed assets (excluding land and building) of the Company.

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	6,239	44,101
Amortisation during the year	(6,239)	(37,862)
Balance at end of the year	-	6,239

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023		2022
9	DEFERRED LIABILITIES	Note	(Rupees in '000')	
	Deferred taxation	9.1	398,573	342,828
	Defined contribution plan		24,570	-
			423,143	342,828
9.1	Deferred tax liability	9.1.1	642,947	525,157
	Deferred tax asset	9.1.2	(244,374)	(182,329)
	Net deferred tax liability		398,573	342,828
9.1.1	<b>Deferred tax liability on taxable temporary differences:</b>			
	Accelerated depreciation / amortisation allowance		642,947	525,157
9.1.2	<b>Deferred tax asset on deductible temporary differences:</b>			
	Right of use assets net of lease liabilities		(59,669)	(34,728)
	Specific provisions		(118,572)	(83,762)
	Retirement benefit obligation		(66,133)	(63,839)
			(244,374)	(182,329)
9.1.3	<b>Breakup and movement of deferred tax balances is as follows:</b>			
	Deferred tax liabilities / (assets)	Opening balance	Statement of profit or loss	Other comprehensive Income
				Closing balance
				(Rupees in '000')
2023				
	<b>Effect of taxable temporary differences</b>			
	Accelerated depreciation / amortisation allowance	525,157	117,790	-
	<b>Effect of deductible temporary differences</b>			
	Right of use assets net of lease liabilities	(34,728)	(24,941)	-
	Specific provisions	(83,762)	(34,810)	-
	Retirement benefit obligation	(63,839)	8,191	(10,485)
		342,828	66,230	(10,485)
				398,573
2022				
	<b>Effect of taxable temporary differences</b>			
	Accelerated depreciation / amortisation allowance	504,648	20,509	-
	<b>Effect of deductible temporary differences</b>			
	Right of use assets net of lease liabilities	(13,428)	(21,300)	-
	Specific provisions	(67,944)	(15,818)	-
	Retirement benefit obligation	(72,962)	17,030	(7,907)
		350,314	421	(7,907)
				342,828

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

**9.1.4** Deferred tax assets and liabilities on temporary differences are measured at the rate of 39% (2022: 33%).

	2023	2022
<b>10 LEASE LIABILITIES</b>	<b>(Rupees in '000')</b>	
Balance at beginning of the year	<b>947,737</b>	784,671
Addition during the year	<b>59,045</b>	347,377
Interest expense during the year	<b>92,489</b>	87,980
Modification / termination during the year	<b>(76,782)</b>	(2,460)
Payment during the year	<b>(294,847)</b>	(269,831)
Balance at end of the year	<b>727,642</b>	947,737
Less: current portion	<b>268,595</b>	253,452
	<b>459,047</b>	694,285

**10.1 Lease liabilities are payable as follows:**

	Minimum lease payments	Interest	Present value of minimum lease payments
	<b>(Rupees in '000')</b>		
<b>2023</b>			
Less than one year	<b>300,974</b>	<b>32,379</b>	<b>268,595</b>
Between one and five years	<b>463,071</b>	<b>150,791</b>	<b>312,280</b>
More than five years	<b>250,177</b>	<b>103,410</b>	<b>146,767</b>
	<b>1,014,222</b>	<b>286,580</b>	<b>727,642</b>
<b>2022</b>			
Less than one year	301,760	48,308	253,452
Between one and five years	697,031	170,343	526,688
More than five years	309,919	142,322	167,597
	1,308,710	360,973	947,737

		2023	2022
	Note	<b>(Rupees in '000')</b>	
<b>10.2 Amounts recognised in the unconsolidated statement of profit or loss</b>			
Interest expense on lease liabilities	31	<b>92,489</b>	87,980
Expense relating to short term lease/ low value lease	30	<b>15,235</b>	12,266
		<b>107,724</b>	100,246

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 10.3** The year-end balance of lease liabilities include a balance of Rs. 268.6 million (2022: Rs. 338.8 million) in respect of building obtained under a lease arrangement from Shifa Neuro Sciences Institute Islamabad (Private) Limited for period of six years. Related amounts include interest expense of Rs. 28.5 million (2022: Rs. 35.3 million) and lease payments of Rs. 106.7 million (2022: Rs. 97.0 million).

			2023	2022
11	TRADE AND OTHER PAYABLES	Note	(Rupees in '000')	
	Creditors	11.1	2,555,090	1,712,321
	Accrued liabilities		707,198	584,755
	Advances from customers - contract liability	11.2	276,239	293,743
	Medical consultants' charges		651,675	511,357
	Security deposits	11.3	124,847	118,712
	Compensated absences	11.4	145,524	131,211
	Defined contribution plan		1,322	29,188
	Retention money		12,692	12,704
	Payable to Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund Trust (the Fund)	11.5	169,573	193,453
			4,644,160	3,587,444
11.1	<b>This includes payable to related parties (unsecured) as detailed below:</b>			
	Tameer - e - Millat Foundation (TMF)		12,803	11,660
	Shifa Tameer - e - Millat University (STMU)		12,009	6,458
			24,812	18,118
11.2	<b>Advances from customers - contract liability</b>			
	Balance at beginning of the year		293,743	272,841
	Revenue recognised during the year		(279,795)	(234,854)
	Advance received during the year		262,291	255,756
	Balance at end of the year		276,239	293,743

- 11.3** This includes security deposits retained from employees of Rs. 41,380 thousand (2022: Rs. 37,095 thousand) held in separate bank account and balances obtained from customers of Rs. 83,467 thousand (2022: Rs. 81,617 thousand) that are utilisable for the purpose of the business in accordance with agreements with customers.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023	2022
	Note	(Rupees in '000')	
<b>11.4 Compensated absences</b>			
Balance at beginning of the year		131,211	113,857
Provision made for the year		72,408	67,049
		203,619	180,906
Payments made during the year		(58,095)	(49,695)
Balance at end of the year	11.4.1	145,524	131,211
<b>11.4.1</b>	Actuarial valuation of compensated absences has not been carried out since management believes that the effect of actuarial valuation would not be material.		
		2023	2022
	Note	(Rupees in '000')	
<b>11.5 The amount recognised in the unconsolidated statement of financial position:</b>			
Present value of defined benefit obligation	11.5.1	387,539	398,711
Fair value of plan assets	11.5.2	(217,966)	(205,258)
		169,573	193,453
<b>11.5.1 Movement in the present value of defined benefit obligation:</b>			
Balance at beginning of the year		398,711	798,687
Interest cost		43,315	47,760
Current service cost		74,387	105,084
Benefits paid / adjusted		(142,049)	(608,160)
Benefits payable		(2,304)	(1,725)
Loss arising on plan settlements		-	37,717
Remeasurement loss on defined benefit obligation		15,479	19,348
Balance at end of the year		387,539	398,711
<b>11.5.2 Movement in the fair value of plan assets:</b>			
Balance at beginning of the year		205,258	547,093
Expected return on plan assets		27,195	31,445
Contributions		141,271	241,218
Benefits paid / adjusted		(142,049)	(608,160)
Benefits payable		(2,304)	(1,725)
Remeasurement loss on plan assets		(11,405)	(4,613)
Balance at end of the year		217,966	205,258

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
<b>11.5.3 Charge for the year:</b>			
Current service cost		74,387	105,084
Interest cost		43,315	47,760
Loss arising on plan settlements		-	37,717
Expected return on plan assets		(27,195)	(31,445)
		90,507	159,116
<b>11.5.4 Remeasurements recognised in the unconsolidated statement of comprehensive income (OCI):</b>			
Remeasurement loss on obligation		15,479	19,348
Remeasurement loss on plan assets		11,405	4,613
Remeasurement loss recognised in OCI		26,884	23,961
Deferred tax relating to remeasurement of staff gratuity fund benefit plan		(10,485)	(7,907)
		16,399	16,054
<b>11.5.5 Movement in liability recognised in unconsolidated statement of financial position:</b>			
Balance at beginning of the year		193,453	251,594
Charge for the year		90,507	159,116
Remeasurement recognised in OCI during the year		26,884	23,961
Contributions during the year		(141,271)	(241,218)
Balance at end of the year		169,573	193,453
<b>11.5.6 Plan assets comprise of:</b>			
Term deposit receipts		133,162	133,892
Ordinary shares of SIHL	11.5.6.1	9,611	14,056
Cash and bank balances		88,806	68,619
Payable to outgoing members		(13,613)	(11,309)
		217,966	205,258

**11.5.6.1** Number of ordinary shares held by the Fund at year end were 78,461 shares (2022: 78,461 shares) with market value of Rs. 122.49 (2022: Rs. 179.14) per share.

**11.5.7** Latest actuarial valuation was carried out by an independent actuary on June 30, 2023 using the Projected Unit Credit Method.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
<b>11.5.8 Principal actuarial assumptions used in the actuarial valuation:</b>		
Discount rate used for interest cost in profit or loss	<b>13.25%</b>	11.75%
Discount rate used for year end obligation	<b>16.25%</b>	13.25%
Expected rate of salary growth		
- Salary increase FY 2023	<b>N/A</b>	9.25%
- Salary increase FY 2024-2025	<b>9.25%</b>	9.25%
- Salary increase FY 2026 onward	<b>14.25%</b>	11.25%
Mortality rate	<b>SLIC 2001-2005 set back 1 year</b>	SLIC 2001-2005 set back 1 year
Withdrawal rates	<b>Age based</b>	Age based
Retirement assumption	<b>Age 60</b>	Age 60

## 11.5.9 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.

	2023		2022	
	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	<b>363,941</b>	<b>414,544</b>	373,013	427,045
Future salary increase	<b>415,076</b>	<b>363,112</b>	427,576	372,149

**11.5.10** The average duration of the defined benefit obligation as at June 30, 2023 is 7 years (2022: 8.5 years).

**11.5.11** The expected expense for the next year is amounted to Rs. 93,517 thousand.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 11.5.12 Risks associated with the scheme

### Final salary risk

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

### Demographic risks

#### a) Mortality risk

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

#### b) Withdrawal risk

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

#### c) Investment risk

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

		2023	2022
12	MARKUP ACCRUED	(Rupees in '000')	
	Long term financing - secured	70,874	35,658
13	CONTINGENCIES AND COMMITMENTS		
13.1	Contingencies		
13.1.1	The guarantees issued by bank in favor of Sui Northern Gas Pipelines Limited (SNGPL) of aggregate sum of Rs. 33.1 million (2022: Rs. 43.35 million) on behalf of the Company in its ordinary course of business.		
13.1.2	Claims and penalties against the Company for alleged negligence attributed to consultants / doctors etc. and other matters aggregating to Rs. 5.4 million (2022: Rs. 3 million) are currently pending within the legal jurisdiction of Peshawar, Islamabad and Lahore High Courts as well as the Supreme Court of Pakistan. The management of the Company is contesting these claims and penalties, and believes that the contention of the claimants and penalties imposed will not be successful and no material liability is likely to arise.		
13.1.3	On June 06, 2012, the Competition Commission of Pakistan (CCP) imposed a penalty of Rs. 20 million (2022: Rs. 20 million) against each Gulf Cooperation Council's (GCC) Approved Medical Center (GAMC), including SIHL. This penalty was imposed due to allegations of engaging in non-competitive practices involving territorial division and equal allocation of customers among GAMCs. The Company's management, in conjunction with other GAMCs, is collaboratively contesting this issue which is presently pending before the Supreme Court of Pakistan. The Company's management firmly believes that a favorable judgment for the GAMCs, including SIHL, will be reached.		



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

- 13.1.4.1** The tax authorities have amended the assessments for the tax years 2012, 2013, 2014, 2015, 2016, and 2019 under section 122(5A)/124 of the Income Tax Ordinance, 2001 (the Ordinance). They have raised tax demands of Rs. 6.4 million, Rs. 97 million, Rs. 85.5 million, Rs. 26.1 million, Rs. 85.4 million, and Rs. 37 million respectively. The Company, feeling aggrieved, appealed these assessments before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) partly confirmed the assessments and partly provided relief to the Company. However, the assessment for the tax year 2015 was confirmed. The Company, still aggrieved, filed appeals against the appellate orders before the Appellate Tribunal Inland Revenue [ATIR] on various dates from September 2018 to November 2021, and these appeals are currently pending adjudication.
- 13.1.4.2** The tax authorities imposed taxes of Rs. 109.6 million, Rs. 178.4 million, Rs. 27.4 million, and Rs. 29.2 million under section 161/205 of the Ordinance for the tax years 2016, 2014, 2013, and 2012 respectively, based on alleged non-deduction of tax on payments. The Company, feeling aggrieved, appealed these assessments before the CIR(A). Regarding the tax year 2012, the CIR(A) deleted the assessment, while for the tax years 2013 and 2016, the assessment was set aside, and for the tax year 2014, the assessment was confirmed. The Company, still aggrieved, filed appeals for the tax years 2013, 2014, and 2016 before the ATIR. The appeals for the tax years 2013 and 2016 were filed on November 26, 2019, and June 06, 2023 respectively, and they are currently pending adjudication. Additionally, the ATIR has set aside the assessment for the tax year 2014 for denovo consideration.
- 13.1.4.3** The tax authorities amended the assessments for the tax years 2012, 2013, and from 2015 to 2017 under section 122(5) of the Ordinance. They raised an aggregate tax demand of Rs. 1,350.9 million. Feeling aggrieved, the Company appealed these assessments before the CIR(A). The CIR(A) annulled all the assessment orders, resulting in the deletion of the tax demand. Dissatisfied with the CIR(A)'s decision, the tax department filed an appeal before the ATIR on November 15, 2018, and these appeals are currently pending adjudication.
- 13.1.4.4** The tax authorities amended the assessments for the tax years 2014 and 2015 under section 221 of the Ordinance, resulting in an aggregate tax demand of Rs. 11.8 million. The Company, feeling aggrieved, filed appeals before the CIR (A). The CIR (A) remanded the assessments back to the ACIR. Both the Company and the tax department filed cross-appeals before the ATIR in January 2018, and these appeals are currently pending adjudication.
- 13.1.4.5** The tax authorities amended the assessment for the tax year 2014 under section 177 of the Ordinance, resulting in a tax demand of Rs. 1,143.8 million. Feeling aggrieved, the Company appealed the assessment before the CIR (A). The CIR (A) annulled the assessment order, resulting in the deletion of the tax demand. The tax department filed an appeal before the ATIR on November 27, 2019, against the decision of the CIR (A), which is currently pending adjudication.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

**13.1.4.6** The tax authorities imposed sales tax demands of Rs. 44.4 million, Rs. 56.2 million, Rs. 57.4 million, Rs. 55.9 million, and Rs. 11.3 million under section 11 of the Sales Tax Act, 1990. These demands were based on alleged non-payment of sales tax on sales of scrap, fixed assets, and cafeteria for the tax years 2016 to 2020 respectively. Regarding the Company's appeals for the tax years 2016, 2018, and 2020, the ATIR deleted the sales tax charged on cafeteria and fixed assets, while confirming the sales tax on scrap. Furthermore, for the tax years 2017 and 2019, the CIR(A) deleted the sales tax on cafeteria sales, while confirming the sales tax on sales of scrap and fixed assets. The Company has filed appeals before the ATIR against the confirmation of sales tax on scrap and fixed assets, and these appeals are currently pending adjudication.

Management is confident that the above disallowances and levies do not hold merit and the related amounts have been lawfully claimed in the income and sales tax returns as per the applicable tax laws and these matters will ultimately be decided in favor of the Company. Accordingly no provision has been made in respect of above in these unconsolidated financial statements.

		2023	2022
		(Rupees in '000')	
<b>13.2</b>	<b>Commitments</b>		
<b>13.2.1</b>	Capital expenditure contracted	<b>104,711</b>	135,129
<b>13.2.2</b>	Letters of credit	-	138,470

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 14 PROPERTY, PLANT AND EQUIPMENT

Particulars	Note	Owned assets											Right of use assets				
		Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Leasehold improvements	Biomedical equipment	Air conditioning equipment and machinery	Electrical and other equipment	Furniture and fittings	Construction equipment	Computer installations	Vehicles	Capital work in progress (note 14.9)	Office premises	Electrical equipment	Total
(Rupees in '000')																	
<b>Cost/Revalued amount</b>																	
<b>Balance as at July 01, 2021</b>																	
Additions		261,343	955,707	58,898	2,616,071	61,610	4,493,801	504,712	721,050	223,289	2,788	562,672	120,406	409,192	1,095,568	57,000	12,144,107
Revaluation		55,557	54,054	-	-	22,586	118,418	7,438	44,883	8,758	223	60,646	23,194	386,757	368,187	-	1,041,090
Reclassified from held for sale		104,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,611
Disposals		-	-	-	-	-	(12,801)	-	-	-	-	-	(2,029)	-	-	-	104,378
Termination of lease / transfer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,362)
Write offs		-	-	-	-	-	(13,451)	(4,032)	(1,213)	(132)	-	(3,423)	-	-	(11,842)	-	(11,842)
Transfers		-	-	-	-	-	35,203	-	4,039	1,067	-	12,205	-	(53,514)	-	-	(22,251)
		421,278	1,009,761	58,898	2,616,071	84,196	4,621,170	508,118	768,759	232,982	3,011	631,568	141,571	743,435	1,451,913	57,000	13,349,731
<b>Balance as at June 30, 2022</b>																	
<b>Balance as at July 01, 2022</b>																	
Additions		421,278	1,009,761	58,898	2,616,071	84,196	4,621,170	508,118	768,759	232,982	3,011	631,568	141,571	743,435	1,451,913	57,000	13,349,731
Reclassified as Investment property	14.4	1,931	-	-	-	-	425,851	61,011	105,344	20,737	152	63,343	29,000	556,632	75,384	-	1,339,385
Disposals		(382,553)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(382,553)
Modification / termination of lease		-	-	-	-	-	-	-	-	-	-	(1,575)	(3,381)	-	-	-	(4,956)
Write offs		-	-	-	-	-	(142,083)	(854)	(2,208)	(188)	-	(2,205)	-	-	(164,620)	-	(164,620)
Transfers		-	-	-	-	-	313,085	285,709	-	2,030	-	-	-	(663,316)	-	-	(147,538)
		40,656	1,009,761	58,898	2,678,563	397,281	5,190,647	568,275	871,895	255,561	3,163	691,131	167,190	636,751	1,362,677	57,000	13,989,449
<b>Balance as at June 30, 2023</b>																	
<b>Depreciation/amortisation</b>																	
<b>Balance as at July 01, 2021</b>																	
Charge for the year		-	101,023	3,927	787,353	40,294	2,507,104	303,292	517,048	142,372	1,889	439,954	93,808	-	384,116	30,084	5,352,264
On disposals		-	12,770	2,944	74,401	12,511	335,151	52,083	57,974	17,033	272	68,489	11,178	-	238,642	19,000	902,448
Termination of lease		-	-	-	-	-	(11,866)	-	-	-	-	(316)	(1,523)	-	-	-	(13,705)
On write offs		-	-	-	-	-	-	(3,596)	(1,169)	(101)	-	(3,386)	-	-	(6,431)	-	(20,017)
		-	113,793	6,871	861,754	52,805	2,818,624	351,779	573,853	159,304	2,161	504,741	103,463	-	617,327	49,084	6,215,559
<b>Balance as at June 30, 2022</b>																	
<b>Balance as at July 01, 2022</b>																	
Charge for the year		-	113,793	6,871	861,754	52,805	2,818,624	351,779	573,853	159,304	2,161	504,741	103,463	-	617,327	49,084	6,215,559
On disposals		-	14,323	2,945	75,282	44,178	369,671	52,221	64,410	16,969	278	66,092	14,482	-	263,248	7,916	992,015
Termination of lease		-	-	-	-	-	-	-	-	-	-	(1,256)	(2,751)	-	-	-	(4,007)
On write offs		-	-	-	-	-	(134,328)	(854)	(1,815)	(125)	-	(2,194)	-	-	(92,542)	-	(92,542)
		-	-	-	-	-	-	-	-	-	-	-	-	-	(139,316)	-	(139,316)
		-	128,116	9,816	937,036	96,983	3,053,967	403,146	636,448	176,148	2,439	567,383	115,194	-	788,033	57,000	6,971,709
<b>Balance as at June 30, 2023</b>																	
Carrying value as at June 30, 2022																	
		421,278	895,968	52,027	1,754,317	31,391	1,802,546	156,339	194,906	73,678	850	126,827	38,108	743,435	834,586	7,916	7,134,172
<b>Balance as at June 30, 2023</b>																	
		40,656	881,645	49,082	1,741,527	300,298	2,136,680	165,129	235,447	79,413	724	123,748	51,996	636,751	574,644	-	7,017,740
Annual rate of depreciation (%)																	
		-	1.01-3.03	5	2.5-10	20	10	10-15	10-15	10	10-20	25	20	-	6.15-50	33.3	-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

**14.1** The Company had its leasehold land revalued in 1999, 2004, 2009, 2014, 2018, 2019, 2020, 2021 and 2022 while freehold lands in 2009, 2014, 2018, 2019, 2020, 2021 and 2022 by independent valuer, using fair market value basis. Total unamortised surplus against the revaluation of freehold and leasehold land as at June 30, 2023 stood at Rs. 1,087,431 thousand (2022: Rs. 1,007,443 thousand).

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

	Cost	Accumulated amortisation	Carrying value
	(Rupees in '000')		
<b>Freehold land</b>			
<b>June 30, 2023</b>	<b>14,483</b>	<b>-</b>	<b>14,483</b>
June 30, 2022	337,690	-	337,690
<b>Leasehold land</b>			
<b>June 30, 2023</b>	<b>197,646</b>	<b>10,936</b>	<b>186,710</b>
June 30, 2022	197,646	8,067	189,579

**14.3** Particulars of Company's freehold and leasehold land are as follow:

		2023	2022
Location	Nature	Area	
Shifa Cooperative Housing Society, Islamabad Expressway - Sq.yds	Freehold land	1,003	1,003
Motorway, Mouza Noon, Islamabad - Kanal	Freehold land	-	100
Faisalabad Motorway- Kanal	Freehold land	-	48.2
H-8/4, Islamabad - Kanal	Leasehold land	87.8	87.8

**14.4** Freehold land measuring 100 kanals located at Motorway, Mouza Noon, Islamabad and 48.2 kanals located at Chak No. 4, near Sargodha Road, Faisalabad has been re-classified to investment property (Note 16) as the Company wants to retain these land for capital appreciation.

**14.5** Property, plant and equipment include items with aggregate cost of Rs. 2,635,621 thousand (2022: Rs. 2,370,718 thousand) representing fully depreciated assets that are still in use of the Company.

**14.6** Property, plant and equipment of the Company are encumbered under an aggregate charge of Rs. 7,665.6 million (2022: Rs. 7,665.6 million) in favor of lenders under various financing arrangements as disclosed in note 8.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

**14.7** The forced sale value (FSV) of the revalued leasehold and freehold lands have been assessed at Rs. 716,774 thousand (2022: Rs. 716,774 thousand) and Rs. 32,525 thousand (note 14.3) (2022: Rs. 337,023 thousand) respectively.

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

Asset particulars / Location	Note	Cost/ revalued amount	Carrying value	Sale proceeds	Gain on disposal	Purchaser	Mode of disposal
(Rupees in '000')							
Plots located at Shifa Cooperative Housing Society	27.1	54,512	54,512	95,000	40,488	Various independent third parties	Negotiation
Other assets having carrying value less than Rs. 500 thousand	14	4,956	949	2,663	1,714		
<b>2023</b>		<b>59,468</b>	<b>55,461</b>	<b>97,663</b>	<b>42,202</b>		
2022		188,090	174,385	251,206	76,821		

		Note	2023 (Rupees in '000')	2022
<b>14.9</b>	<b>Capital work in progress</b>			
	Construction work in progress	14.9.1	347,130	305,602
	Stores held for capital expenditure	14.9.2	-	976
	Installation of equipment in progress		289,621	436,857
			<b>636,751</b>	<b>743,435</b>

**14.9.1** This includes Rs. 235,228 thousand (2022: Rs. 132,788 thousand) paid to Shifa Development Services (Private) Limited on account of design and building work under two separate agreements with the Company.

		Note	2023 (Rupees in '000')	2022
<b>14.9.2</b>	<b>Stores held for capital expenditure</b>			
	Stores held for capital expenditure		4,524	4,524
	Less: provision for slow moving items	14.9.2.1	4,524	3,548
			-	976
<b>14.9.2.1</b>	Balance at beginning of the year		3,548	3,548
	Charged during the year		976	-
	Balance at end of the year		<b>4,524</b>	<b>3,548</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
15	INTANGIBLE ASSETS	Note	(Rupees in '000')	
	Softwares in use	15.1	2,459	13,990
	Software under development	15.2	39,375	39,375
			41,834	53,365
15.1	Softwares is use			
	<b>Cost</b>			
	Balance at beginning of the year		109,400	105,185
	Addition during the year		-	4,215
	Balance at end of the year		109,400	109,400
	<b>Accumulated amortisation</b>			
	Balance at beginning of the year		95,410	73,842
	Charged during the year		11,531	21,568
	Balance at end of the year		106,941	95,410
	<b>Net book value</b>		2,459	13,990
15.2	Software under development			
	Balance at beginning of the year		39,375	-
	Addition during the year	15.2.1	-	39,375
	Balance at end of the year		39,375	39,375
15.2.1	This represented the amount paid to Shifa Care (Private) Limited for provision of Hospital Supply Chain Management system (HSCM). Out of total scope, integration and testing of the developed modules with existing Hospital Management Information System (HMIS) and Oracle EBS alongwith user acceptance testing is in progress and is expected to be completed in next financial year.			
15.3	Amortisation of softwares in use has been recorded at rate of 25 % (2022: 25%) per annum.			
16	INVESTMENT PROPERTY - AT COST	Note	2023	2022
			(Rupees in '000')	
	Balance at beginning of the year		-	-
	Reclassified during the year		748,450	-
	Balance at end of the year	16.1	748,450	-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 16.1** This represents freehold land comprising of 11 plots at Shifa Cooperative Housing Society, Islamabad Expressway (SCHS), 48.2 kanal at Chak No. 4, near Sargodha Road, Faisalabad and 152.55 kanal at Motorway, Mouza Noon, Islamabad, held for capital appreciation, therefore classified as investment property. As at June 30, 2023, the fair value and forced sale value of the land located at SCHS, Sargodha Road Faisalabad and Motorway, Mouza Noon, Islamabad are Rs. 320,302 thousand, Rs. 135,924 thousand, Rs. 456,497 thousand and Rs. 256,241 thousand, Rs. 108,739 thousand, Rs. 365,198 thousand respectively.

Subsequent to the year-end property dealer of the Company informed about the sale of land measuring 49.05 kanal located at Motorway, Mouza Noon, Islamabad but has not transferred / provided both consideration and sale documents of land. Currently the Company is evaluating the appropriate course of actions to be initiated against property dealer.

			2023	2022
17	LONG TERM INVESTMENT - AT COST	Note	(Rupees in '000')	
	<b>In subsidiary companies (unquoted):</b>			
	Shifa Development Services (Private) Limited (SDSPL)	17.2	9,966	9,966
	Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	17.3	1,697,521	1,697,521
	Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	17.4	1,582,279	971,562
	Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad)	17.5	1,356,170	1,171,288
	Shifa International DWC-LLC (SIDL)	17.6	23,280	23,280
	<b>In associated company (unquoted):</b>			
	Shifa Care (Private) Limited (SCPL)	17.7	45,001	45,001
			<b>4,714,217</b>	<b>3,918,618</b>

- 17.1** Per share breakup values of these investments are given below:

	2023	2022
	(Rupees)	
Shifa Development Services (Private) Limited (SDSPL)	20.86	35.37
Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	10.28	10.23
Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	11.06	11.06
Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad)	12.86	10.39
Shifa International DWC-LLC (SIDL)	(0.37)	5.35
Shifa Care (Private) Limited (SCPL)	10.02	7.30

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 17.2** This represents investment in 1,650,000 (2022: 1,650,000) fully paid ordinary shares of Rs. 10 each of SDSPL. The above investment in ordinary shares represents 55% (2022: 55%) shareholding in SDSPL held by the Company.
- 17.3** This represents investment in 169,752,100 (2022: 169,752,100) fully paid ordinary shares of Rs. 10 each of SNS Islamabad. The above investment in ordinary shares represents 100% (2022: 100%) shareholding in SNS held by the Company.
- 17.4** This represents investment in 158,227,912 (2022: 97,156,200) fully paid ordinary shares of Rs. 10 each of SNH Faisalabad. The above investment in ordinary shares represents 61% (2022: 60%) shareholding in SNH Faisalabad held by the Company.
- 17.5** This represents investment in 135,617,001 (2022: 117,128,812) ordinary shares of Rs. 10 each of SMC Islamabad. The above investment in ordinary shares represents 56% (2022: 56%) shareholding in SMC Islamabad held by the Company.
- The board of directors of the Company has decided to divest the Company's entire shareholding in its subsidiary "SMC Islamabad". Pursuant to the said decision SMC Islamabad is currently in process of completing the structure of the hospital building before initiating the marketing campaign.
- 17.6** This represents investment in 555,000 (2022: 555,000) ordinary shares of AED 1 each of SIDL having a registered office located at 106 B-2 Pulse residence-3, P.O Box, 390667, Dubai South UAE. The above investment in ordinary shares represents 100% (2022: 100%) shareholding held by the Company.
- 17.7** This represents investment in 4,500,050 (2022: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (2022: 50%) shareholding in SCPL held by the Company. Summary of results of SCPL are as under:

	2023	2022
	(Rupees in '000')	
<b>Summarised statement of financial position</b>		
Non-current assets	75,191	58,322
Current assets	35,362	52,787
Current liabilities	(20,396)	(45,385)
Net assets	90,157	65,724
<b>Reconciliation to carrying amounts:</b>		
Opening net assets	65,724	71,923
Total comprehensive income / (loss) for the year	24,433	(6,199)
Closing net assets	90,157	65,724
Company's share in carrying value of net assets	45,079	32,862
Company's share in total comprehensive income / (loss)	12,217	(3,099)



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>Summarised statement of profit or loss and comprehensive income</b>		
Revenue for the year – gross	37,500	-
Depreciation and amortisation	(4,085)	(855)
Finance cost	(741)	-
Provision for taxation	(5,004)	-
Profit / (loss) for the year	24,433	(6,199)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive income / (loss) for the year	24,433	(6,199)

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

**17.8** The board of directors of the Company have in their meeting held on April 12, 2023, resolved to acquire 50% stakes of SIHT (Private) Limited (a wholly owned subsidiary of Shifa Foundation) from Shifa Foundation.

## **18 LONG TERM DEPOSITS**

This represents security deposits given to various institutions / persons and are refundable on termination of relevant services / arrangements. These are unsecured and considered good.

		2023	2022
		(Rupees in '000')	
<b>19</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Stores	256,038	209,391
	Spare parts	7,430	26,654
	Loose tools	7,887	699
		271,355	236,744
	Less: provision for slow moving items	19,657	26,555
		251,698	210,189
<b>19.1</b>	Balance at beginning of the year	26,555	23,868
	(Reversal) / charged during the year	(6,898)	2,687
	Balance at end of the year	19,657	26,555

## **20 STOCK IN TRADE**

This represents medicines being carried at moving average cost.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
21	TRADE DEBTS	Note	(Rupees in '000')	
	Unsecured - considered good			
	Related party - Shifa Foundation	21.1	15,686	9,736
	Others		1,576,999	1,124,491
			1,592,685	1,134,227
	Less: allowance for expected credit losses (ECL)	41.1.3	226,563	169,458
			1,366,122	964,769

**21.1** Maximum amount due from Shifa Foundation at the end of any month during the year was Rs. 15,686 thousand (2022: Rs. 20,694 thousand).

			2023	2022
22	LOANS AND ADVANCES	Note	(Rupees in '000')	
	Secured - considered good			
	Executives		9,328	4,199
	Other employees		15,887	14,722
			25,215	18,921
	Unsecured - consultants		4,792	3,661
	Suppliers / contractors - unsecured	22.2	115,223	213,232
			120,015	216,893
		22.1	145,230	235,814

**22.1** These advances are secured against employee terminal benefits.

**22.2** Comparative amount includes Rs. 52,376 thousand given to Shifa Development Services (Private) Limited (SDSPL) in respect of civil work activities.

			2023	2022
23	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	(Rupees in '000')	
	Unsecured - considered good			
	Short term prepayments		33,674	28,232
	Security deposit	23.1	20,278	20,278
	Other receivables	23.2	293,144	305,345
			347,096	353,855
	Less: allowance for expected credit losses against other receivables	23.3	57,812	57,812
			289,284	296,043

**23.1** This represents security deposit given to SNS Islamabad in accordance with the terms of lease arrangement of the property.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 23.2** This includes Rs. 87,473 thousand (2022: Rs. 35,416 thousand) and Rs. 46,485 thousand (2022: Rs. 34,896 thousand) due from SIHT (Private) Limited and Shifa International DWC LLC (SIDL). Maximum amount due from SIHT (Private) Limited and SIDL at the end of any month during the year was Rs. 113,524 thousand (2022: Rs. 72,695 thousand) and Rs. 50,799 thousand (2022: Rs. 34,896 thousand) respectively.

		2023	2022
	Note	(Rupees in '000')	
<b>23.3</b>	<b>Allowance for expected credit losses against other receivables (unrelated parties)</b>		
	Balance at beginning of the year	<b>57,812</b>	57,409
	Charge during the year	-	40,185
	Less: written off during the year	-	39,782
	Balance at end of the year	<b>57,812</b>	57,812
<b>24</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Investment in Term Deposit Receipt at amortised cost	24.1	<b>3,000</b>
	Investment in Mutual Fund - at fair value through profit or loss	24.2	<b>304,919</b>
		<b>307,919</b>	513,235

- 24.1** This represents term deposit receipt (TDR) having face value of Rs. 3 million (2022: 3 million) with three months maturity. Profit payable on monthly basis at the rate ranging from 12.25% to 19.00% per annum (2022: 5.50% to 12.25% per annum).

- 24.2** This represents investment in 3,020,724 (2022: 5,059,495) units of UBL Al-Ameen Islamic Cash Fund. Fair value of the investment was determined using quoted repurchase price at year end.

		2023	2022
	Note	(Rupees in '000')	
<b>25</b>	<b>TAX REFUNDS DUE FROM THE GOVERNMENT (NET OF PROVISION)</b>		
	Balance at the beginning of the year	<b>448,042</b>	471,366
	Income tax paid / deducted at source during the year	<b>538,198</b>	405,208
		<b>986,240</b>	876,574
	Provision for taxation for the year	32	<b>(698,565)</b>
	Balance at the end of the year	<b>287,675</b>	448,042

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023	2022
26	CASH AND BANK BALANCES	Note	(Rupees in '000')
	Cash at bank in:		
	Current accounts:		
	Local currency	245,338	348,000
	Foreign currency	939,799	1,374,994
		1,185,137	1,722,994
	Saving accounts:		
	Local currency	999,149	589,166
	Foreign currency	286	204
		26.1	999,435
		26.2	2,184,572
	Cash in hand		31,861
			2,216,433

**26.1** Balances with saving accounts earned profit / mark-up at weighted average rate of 14.20% per annum (2022: 8.20% per annum).

**26.2** Balances with banks includes Rs. 124,847 thousand (2022: Rs. 118,712 thousand) in respect of security deposits (Note 11.3).

		2023	2022
27	NON - CURRENT ASSETS HELD FOR SALE	Note	(Rupees in '000')
	Balance at beginning of the year		320,953
	Disposed off during the year	27.1	(54,511)
	Reclassified to investment property / property, plant and equipment	27.2	(266,442)
	Balance at end of the year		-

**27.1** During the year, the Company has sold five plots located at Shifa Cooperative Housing Society, Islamabad Expressway (2022: six plots located at Shifa Cooperative Housing Society, Islamabad Expressway and 48.5 kanals located at Motorway, Mouza Noon, Islamabad).

**27.2** Freehold land measuring 11 Plots located at Shifa Cooperative Housing Society Islamabad Expressway and 52.6 Kanals located at Motorway, Mouza Noon, Islamabad have been reclassified to investment property (Note 16) as the Company wants to retain these lands for capital appreciation. Immediately, before the transfer it was remeasured to fair value and revaluation surplus of Rs. 99,454 thousand was recognised in other comprehensive income. (2022: Freehold land measuring 48.2 kanals located at Chak No. 4, near Sargodha Road, Faisalabad reclassified to property, plant and equipment).



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

28	REVENUE - NET	Note	2023	2022
			(Rupees in '000')	
	Inpatients		11,803,983	9,836,737
	Outpatients		6,770,623	5,492,731
	Other services	28.1	1,376,032	1,034,222
			19,950,638	16,363,690
	Less: discount		156,745	128,070
	Less: sales tax		72,468	38,069
			229,213	166,139
			19,721,425	16,197,551

**28.1** This represents revenue from external pharmacy outlets, cafeteria sales, operating leases to related parties / other parties and corporate services to subsidiaries / associate.

**28.2** The revenue - net is excluding physician share of Rs. 1,802,988 thousand (2022: Rs. 1,353,680 thousand).

29	OTHER INCOME	Note	2023	2022
			(Rupees in '000')	
	<b>Income from financial assets:</b>			
	Profit on bank deposits		44,526	16,564
	Dividend income from mutual fund - investments at fair value through profit or loss		43,282	54,160
	Un-realised gain on investments at fair value through profit or loss		20,894	1,735
	Dividend income from subsidiary	29.1	28,858	25,463
			137,560	97,922
	<b>Income from other than financial assets:</b>			
	Gain on disposal of tangible assets		42,202	69,269
	Exchange gain on foreign currency translation		375,706	416,217
	Sale of scrap - net of sales tax		19,026	18,772
	Miscellaneous		42,521	35,249
			479,455	539,507
			617,015	637,429

**29.1** This represents the dividend at the rate of Re. 0.12 and Re. 0.05 (2022: Re. 0.15) per share received from SNS Islamabad.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

30	OPERATING COSTS	Note	2023	2022
			(Rupees in '000')	
	Salaries, wages and benefits	30.1	6,670,502	5,827,983
	Medicines consumed		5,373,920	4,171,392
	Supplies consumed		2,025,240	1,720,046
	Utilities		1,070,951	835,050
	Depreciation / amortisation on tangible assets	14	992,015	902,448
	Repairs and maintenance		851,493	642,156
	Printing and stationery		219,471	133,535
	Cleaning and washing		190,434	137,366
	Fee, subscription and membership		108,270	81,650
	Advertising and sales promotion		84,722	66,022
	Communication		50,720	48,048
	Travelling and conveyance		37,481	21,672
	Legal and professional		19,658	15,453
	Rent		15,235	12,266
	Rates and taxes		19,395	14,254
	Vehicle and equipment rentals		-	12,447
	Insurance		14,702	13,645
	Amortisation on intangible assets	15	11,531	21,568
	Property, plant and equipment written off		8,222	2,234
	Auditors' remuneration	30.2	5,350	5,256
	(Reversal) / charged of provision for slow moving stores		(5,923)	2,687
	Loss on disposal of slow moving stores		3,866	-
	Donation	30.3	-	25,000
	Miscellaneous		105,249	79,798
			<b>17,872,504</b>	<b>14,791,977</b>

**30.1** This includes charge for employee gratuity of Rs. 90,507 thousand (2022: Rs. 159,116 thousand), defined contribution plan (pension) of Rs. 94,703 thousand (2022: Rs. 53,655 thousand), compensated absences of Rs. 72,408 thousand (2022: Rs. 67,049 thousand) and bonus of Rs. 134,864 thousand (2022: Rs. 125,814 thousand).

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>30.2 Auditors' remuneration</b>		
Annual audit fee	1,710	1,539
Half yearly review fee	900	810
Statutory certifications	1,750	2,161
Out of pocket expenses	140	-
	<b>4,500</b>	4,510
Sales tax	850	746
	<b>5,350</b>	5,256

## 30.3 Donation

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

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

The spouses of any directors of the Company have no interest in the donee.

		2023	2022
		(Rupees in '000')	
<b>31 FINANCE COSTS</b>	Note		
Markup on long term loans - secured		309,304	252,714
Interest on lease liabilities	10	92,489	87,980
Credit card payment collection and bank charges		60,837	41,738
		<b>462,630</b>	382,432
<b>32 PROVISION FOR TAXATION</b>			
Current			
- for the year		689,578	433,334
- prior year adjustment		8,987	(4,802)
	25	698,565	428,532
Deferred		66,230	421
		<b>764,795</b>	428,953
<b>32.1 Reconciliation of tax charge for the year:</b>			
Profit before taxation		1,946,201	1,591,502
Provision for taxation		764,795	428,953

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
Effective tax rate	39.30%	26.95%
<b>Reconciliation of effective tax rate</b>		
Applicable tax rate	29.00%	29.00%
Add: super tax	10.00%	4.00%
Add: net tax effects of amounts that are inadmissible for tax purposes / others	30.65%	27.73%
Less: net tax effect of amounts that are deductible for tax purposes / others	30.35%	33.77%
Average effective tax rate charged on income	39.30%	26.95%

	2023	2022
<b>33 EARNINGS PER SHARE - BASIC AND DILUTED</b>	<b>(Rupees in '000')</b>	
Profit after taxation for the year	1,181,406	1,162,549

	2023	2022
	<b>(Numbers in '000')</b>	
Weighted average number of ordinary shares in issue during the year	63,214	63,214

	2023	2022
	<b>(Rupees)</b>	
Earnings per share - basic and diluted	18.69	18.39

**33.1** There is no dilutive effect on the basic earnings per share of the Company.

## **34 CAPACITY UTILISATION**

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

	2023	2022	2023	2022	2023	2022
	<b>Available bed days</b>		<b>Occupied bed days</b>		<b>Occupancy ratio</b>	
H-8 Hospital Islamabad	180,611	184,269	114,424	108,277	63.35%	58.76%
Faisalabad Hospital	19,618	22,867	7,142	6,046	36.41%	26.44%

**34.1** Reported utilisation is a result of pattern of patient turnover under different specialties.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
35 UNAVAILED CREDIT FACILITIES	(Rupees in '000')	
Unavailed credit facilities at year end other than those disclosed in note 8 of unconsolidated financial statements are as under:		
- Letter of credit	100,000	60,348
- Ijarah financing	51,709	51,709
- Running musharakah	500,000	500,000
- Letter of guarantee	23,916	23,666
	675,625	635,723

36 NUMBER OF EMPLOYEES	2023	2022
Number of employees	5,220	5,154
Average number of employees	5,191	5,174

## 37 RELATED PARTIES TRANSACTIONS

The related parties comprise of subsidiaries, associate, directors, major shareholders, key management personnel, SIHL Employees' Gratuity Fund Trust 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.

The amounts due from and due to these undertakings are shown under trade debts, loans and advances, other receivables and trade and other payables. Further, related party transactions are based on arm's length between the parties and details are given below:

	2023	2022
	(Rupees in '000')	
<b>Shifa Foundation:</b>		
<b>Opening balance</b>		
Balance receivable - unsecured	9,736	17,139
<b>Transactions</b>		
Revenue from medical services earned by the Company	19,634	16,964
Expenses paid by and reimbursed to the Company	741	867
<b>Closing Balance</b>		
Balance receivable - unsecured	15,686	9,736

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023 (Rupees in '000')	2022
	Note		
<b>Tameer-e-Millat Foundation:</b>			
<b>Opening balance</b>			
Balance payable - unsecured		11,660	13,073
<b>Transactions</b>			
Supplies provided to the Company		112,176	88,543
Other services provided to the Company	37.1	43,153	35,278
Rental services received / earned by the Company		6,649	5,842
<b>Closing Balance</b>			
Balance payable - unsecured		12,803	11,660
<b>Shifa Tameer-e-Millat University:</b>			
<b>Opening balance</b>			
Balance payable - unsecured		6,458	5,041
<b>Transactions</b>			
Revenue from medical services earned by the Company		21,554	18,543
Revenue from rent earned by the Company		3,517	3,197
Other services provided to the Company	37.1	80,829	61,817
Expenses paid by and reimbursed to the Company		3,599	2,905
Donation paid by the Company		-	25,000
<b>Closing Balance</b>			
Balance payable - unsecured		12,009	6,458
<b>SIHT (Private) Limited:</b>			
<b>Opening balance</b>			
Balance receivable - unsecured		35,416	24,335
<b>Transactions</b>			
Revenue from medical services earned by the Company		412,250	325,112
Expenses paid by and reimbursed to the Company		5,816	5,905
Other services provided to the Company	37.1	25,016	23,206
<b>Closing Balance</b>			
Balance receivable - unsecured		87,473	35,416

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>Shifa Development Services (Private) Limited:</b>		
<b>Opening balance</b>		
Balance receivable / (payable) - unsecured	52,376	(44,607)
<b>Transactions</b>		
Revenue from rent earned by the Company	1,836	1,548
Payment made by the Company	-	4,215
Pre-construction services provided to the Company	50,986	57,880
<b>Closing balance</b>		
Balance receivable - unsecured	-	52,376
<b>Shifa Cooperative Housing Society Limited:</b>		
<b>Opening balance</b>		
Balance receivable / (payable) - unsecured	-	-
<b>Transactions</b>		
Plot maintenance charges paid by the Company	1,434	5,573
<b>Closing balance</b>		
Balance receivable / (payable) - unsecured	-	-
<b>Shifa Medical Centre Islamabad (Private) Limited:</b>		
<b>Opening balance</b>		
Balance receivable / (payable) - unsecured	-	-
<b>Transactions</b>		
Investment made by the Company in 18,488,189 (2022: 22,379,975) ordinary shares	184,882	223,800
Corporate shared services provided by the Company	10,132	10,229
Expenses paid by and reimbursed to the Company	1,166	414
<b>Closing balance</b>		
Balance receivable / (payable) - unsecured	-	-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>Shifa National Hospital Faisalabad (Private) Limited:</b>		
<b>Opening balance</b>		
Balance receivable / (payable) - unsecured	-	-
<b>Transactions</b>		
Investment made by the Company in 61,071,712 (2022: 51,606,000) ordinary shares	610,717	516,060
Corporate shared services provided by the Company	10,132	10,229
<b>Closing balance</b>		
Balance receivable / (payable) - unsecured	-	-
<b>Shifa Neuro Sciences Institute Islamabad (Private) Limited:</b>		
<b>Opening balance</b>		
Balance receivable - unsecured	20,278	34,452
<b>Transactions</b>		
Rent paid by the Company	106,719	97,018
Dividend income received by the Company	28,858	25,463
<b>Closing balance</b>		
Balance receivable - unsecured	20,278	20,278
<b>Shifa International DWC LLC:</b>		
<b>Opening balance</b>		
Balance receivable - unsecured	34,896	26,656
<b>Transactions</b>		
Patient referral services provided to the Company	17,198	16,336
<b>Closing balance</b>		
Balance receivable - unsecured	46,485	34,896



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023 (Rupees in '000')	2022
	Note		
<b>Shifa Care (Private) Limited:</b>			
<b>Opening balance</b>			
Balance receivable / (payable) - unsecured		-	-
<b>Transactions</b>			
Corporate shared services provided by the Company		2,437	2,343
Software development services provided to the Company		-	39,375
<b>Closing balance</b>			
Balance receivable / (payable) - unsecured		-	-
<b>International Finance Corporation:</b>			
<b>Opening balance</b>			
Balance receivable / payable - unsecured		-	-
<b>Transactions</b>			
Dividend paid by the Company		11,379	11,379
<b>Closing balance</b>			
Balance receivable / payable - unsecured		-	-
<b>SIHL Employees' Gratuity Fund Trust:</b>			
<b>Opening balance</b>			
Balance payable - unsecured		193,453	251,594
<b>Transactions</b>			
Payments made by the Company during the year	37.2	141,271	241,218
Dividend paid by the Company		118	118
<b>Closing balance</b>			
Balance payable - unsecured		169,573	193,453
<b>Remuneration including benefits and perquisites of key management personnel</b>	37.3	<b>406,420</b>	368,682

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 37.1** This represents services of nursing education / training, employees' children education and media services.
- 37.2** Transactions with the Fund are carried out based on the terms of employment of employees and according to actuarial advice.
- 37.3** This includes employee retirement benefits (pension / gratuity) amounting to Rs. 11,016 thousand (2022: Rs. 3,866 thousand).
- 37.4** Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Sr #	Name of related party (RP)	Basis of relationship	Percentage of	
			Company's shareholding in RP	RP's shareholding in the Company
1	Shifa Foundation	Common Directorship	N/A*	3.60%
2	Tameer-e-Millat Foundation	Common Directorship	N/A	12.57%
3	SIHL Employees' Gratuity Fund Trust	Benefit Plan	N/A	0.12%
4	Shifa Tameer-e-Millat University	Common Directorship	N/A	0.25%
5	Shifa Development Services (Private) Limited	Subsidiary & Common Directorship	55%	Nil
6	Shifa Cooperative Housing Society Limited	Common Directorship	N/A	Nil
7	Shifa Neuro Sciences Institute Islamabad (Private) Limited	Subsidiary & Common Directorship	100%	Nil
8	Shifa National Hospital Faisalabad (Private) Limited	Subsidiary & Common Directorship	61%	Nil
9	Shifa Medical Centre Islamabad (Private) Limited	Subsidiary & Common Directorship	56%	Nil
10	Shifa International DWC LLC	Subsidiary & Common Directorship	100%	Nil
11	Shifa CARE (Private) Limited	Associate & Common Directorship	50%	Nil
12	SIHT (Private) Limited	Common Directorship	N/A	Nil
13	International Finance Corporation (IFC)	Associate	Nil	12.00%

\*N/A stands for not applicable.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000')							
Managerial remuneration	56,976	66,036	36,976	30,066	12,396	10,990	326,787	261,954
Annual bonus	2,365	1,768	1,430	1,192	237	237	9,195	8,336
Pension / gratuity	305	-	-	-	-	-	14,080	3,866
Medical insurance	153	92	146	88	519	358	3,840	1,877
Leave encashment	-	-	-	-	-	-	8,846	7,422
	59,799	67,896	38,552	31,346	13,152	11,585	362,748	283,455
Number of persons	1	1	1	1	10	8	46	33

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

**38.2** Managerial remuneration includes Rs. 5,445 thousand (2022: Rs. 4,305 thousand) paid to directors in respect of meeting attending fee.

**38.3** Travelling expenses of Rs. 8,307 thousand (2022: Rs. 3,315 thousand) for official purposes are reimbursed by the Company to non executive directors.

## 39 CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in '000')	
Investment in Term Deposit Receipt - at amortised cost	24	3,000	3,000
Cash and bank balances	26	2,216,433	2,317,432
		2,219,433	2,320,432

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

40	RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES						
		Liabilities		Equity			
	Long term financing	Government grant	Lease liabilities	Share capital	Share premium	Un-appropriated profits	Total
2023		(Rupees in '000')					
Balance at the beginning of the year	2,540,125	67,511	947,737	632,144	2,738,888	5,411,656	12,338,061
Changes from financing cash flows							
Proceeds	470,534	-	-	-	-	-	470,534
Repayments	(1,353,678)	-	-	-	-	-	(1,353,678)
Repayments of lease liabilities	-	-	(294,847)	-	-	-	(294,847)
Dividend paid	-	-	-	-	-	(98,645)	(98,645)
Grant received	-	15,918	-	-	-	-	15,918
Total changes from financing cash flows	(883,144)	15,918	(294,847)	-	-	(98,645)	(1,260,718)
Other changes							
Liability related	34,839	-	74,752	-	-	-	109,591
Amortisation of government grant	-	(34,839)	-	-	-	-	(34,839)
Equity related							
Total comprehensive changes	-	-	-	-	-	1,165,007	1,165,007
Other changes	-	-	-	-	-	30,122	30,122
Changes in unclaimed dividend	-	-	-	-	-	3,823	3,823
Total of equity related changes	-	-	-	-	-	1,198,952	1,198,952
Balance at the end of the year	1,691,820	48,590	727,642	632,144	2,738,888	6,511,963	12,351,047



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Liabilities			Equity			Total
	Long term financing	Government grant	Lease liabilities	Share capital	Share premium	Un-appropriated profits	
2022	(Rupees in '000')						
<b>Balance at the beginning of the year</b>	3,696,503	69,627	784,671	619,749	2,751,283	4,325,259	12,247,092
<b>Changes from financing cash flows</b>							
Proceeds	212,009	-	-	-	-	-	212,009
Repayments	(1,417,563)	-	-	-	-	-	(1,417,563)
Repayments of lease liabilities	-	-	(269,831)	-	-	-	(269,831)
Dividend paid	-	-	-	-	-	(89,202)	(89,202)
Grant received	-	47,060	-	-	-	-	47,060
Total changes from financing cash flows	(1,205,554)	47,060	(269,831)	-	-	(89,202)	(1,517,527)
<b>Other changes</b>							
Liability related	49,176	-	432,897	-	-	-	482,073
Amortisation of government grant	-	(49,176)	-	-	-	-	(49,176)
Equity related							
Total comprehensive changes	-	-	-	-	-	1,146,495	1,146,495
Other changes	-	-	-	12,395	(12,395)	34,724	34,724
Changes in unclaimed dividend	-	-	-	-	-	(5,620)	(5,620)
Total of equity related changes	-	-	-	12,395	(12,395)	1,175,599	1,175,599
<b>Balance at the end of the year</b>	2,540,125	67,511	947,737	632,144	2,738,888	5,411,656	12,338,061

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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## 41 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

### **Risk management framework**

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

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

### **41.1 Credit risk**

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 41.1.1 Exposure to credit risk

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

	2023	2022
	(Rupees in '000')	
Long term deposits	91,616	85,324
Trade debts	1,366,122	964,769
Deposits and other receivables	255,610	267,811
Markup accrued	2,077	2,129
Other financial assets	307,919	513,235
Bank balances	2,184,572	2,312,364
	<b>4,207,916</b>	<b>4,145,632</b>

The Company is exposed to credit risk from its operating and short term investing activities.

The Company's credit risk exposures are categorized under the following headings:

## 41.1.2 Counterparties

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

### Trade debts

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

### Bank balances and investments

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

	2023	2022
	(Rupees in '000')	
Government companies	788,526	606,483
Private companies	523,248	275,653
Individuals	265,225	242,355
Related parties	15,686	9,736
	1,592,685	1,134,227

## 41.1.3 Impairment losses

The ageing of trade debts at the reporting date was:

	2023		2022	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	(Rupees in '000')			
Not past due	342,965	2,613	427,419	2,029
1 - 2 months	475,313	13,186	298,405	14,109
3 - 4 months	210,188	13,229	94,405	4,743
5 - 7 months	183,465	22,988	88,393	12,486
8 - 12 months	138,388	39,325	68,831	34,726
Above 12 months	242,366	135,222	156,774	101,365
	1,592,685	226,563	1,134,227	169,458

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

		2023	2022
	Note	(Rupees in '000')	
Balance at beginning of the year		169,458	153,011
Add: expected credit losses		57,105	28,884
Less: bad debts written off		-	12,437
Balance at end of the year	21	226,563	169,458

**41.1.4** The Company believes that no impairment allowance is necessary in respect of markup accrued, deposits, other receivables, bank balances and investments as the recovery of such amounts is possible.

The ageing of Shifa Foundation (SF), SIHT (Private) Limited and Shifa Development Services (Private) Limited (SDSPL) at the reporting date was:



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023		2022	
		Gross debts / Other receivables	Allowance for ECL	Gross debts / Other receivables	Allowance for ECL
Note		(Rupees in '000')			
<b>Shifa foundation</b>					
1 - 6 months	21	15,686	-	9,736	-
<b>SIHT</b>					
1 - 3 months	23.2	87,473	-	35,416	-
<b>SDSPL</b>					
1 - 2 months	22.2	-	-	52,376	-

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 41.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose the Company has credit facilities as mentioned in notes 8 and 35 to the financial statements. Further liquidity position of the Company is monitored by the board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carring amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
(Rupees in '000')						
<b>2023</b>						
Long term financing - secured	1,740,409	443,595	428,203	755,874	112,737	-
Deferred liabilities	24,570	-	-	24,570	-	-
Trade and other payables	4,124,565	4,124,565	-	-	-	-
Unclaimed dividend	36,955	36,955	-	-	-	-
Mark up accrued	70,874	70,874	-	-	-	-
	5,997,373	4,675,989	428,203	780,444	112,737	-
<b>2022</b>						
Long term financing- secured	2,607,637	770,466	564,070	950,306	322,795	-
Trade and other payables	3,053,898	3,053,898	-	-	-	-
Unclaimed dividend	40,778	40,778	-	-	-	-
Mark up accrued	35,658	35,658	-	-	-	-
	5,737,971	3,900,800	564,070	950,306	322,795	-

Maturity analysis of lease liabilities is given in note 10.

## 41.3 Market risk

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 41.3.1 Foreign currency risk

### Exposure to foreign currency risk

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

2023				2022		
(Amount in '000')						
	Euro	USD	AED	Euro	USD	AED
Bank balances	-	3,285	-	-	6,736	-
Receivables	-	-	597	-	-	627
Letter of credit	-	-	-	(13)	(450)	-
		3,285	597	(13)	6,286	627

(Rupees in '000')						
Bank balances	-	940,085	-	-	1,375,198	-
Receivables	-	-	46,485	-	-	34,896
Letter of credit	-	-	-	(2,675)	(92,164)	-
	-	940,085	46,485	(2,675)	1,283,034	34,896

Following are significant exchange rates applied during the year:

	Average rate		Closing rate	
	2023	2022	2023	2022
	(Rupees)			
USD 1 - Buying	247.69	177.80	286.18	204.17
USD 1 - Selling	248.11	178.21	286.60	204.59
AED 1 - Buying	67.49	48.44	77.92	55.62
AED 1 - Selling	67.59	48.55	78.02	55.73
Euro 1 - Buying	260.15	199.96	312.85	213.59
Euro 1 - Selling	260.58	200.41	313.30	214.03

### Foreign currency sensitivity analysis

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Change in Foreign Exchange Rates	Effect on Profit	Effect on Equity
	%	(Rupees in '000')	
<b>2023</b>			
Foreign currencies	+10%	60,181	60,181
Foreign currencies	-10%	(60,181)	(60,181)
<b>2022</b>			
Foreign currencies	+10%	88,122	88,122
Foreign currencies	-10%	(88,122)	(88,122)

## 41.3.2 Markup rate risk

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

	Note	2023 (Rupees in '000')	2022
<b>Financial assets</b>			
Investment - at amortised cost	24.1	3,000	3,000
Bank balances	26	999,435	589,370
		1,002,435	592,370
<b>Financial liabilities</b>			
Financing - secured	8	(1,740,409)	(2,607,637)
		(737,974)	(2,015,267)

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

## Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2023 would decrease/increase by Rs. 1,615 thousand (2022: decrease / increase by Rs. 8,092 thousand). This is mainly attributable to the Company's exposure to markup rates on its variable rate borrowings.

## 41.3.3 Price risk

The Company's price risk arises from investments in units as disclosed in note 24.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## Price risk sensitivity analysis

A change of Rs. 1 in the value of investments at fair value through profit or loss would have increased or decreased profit or loss by Rs. 3,685 thousand (2022: Rs. 6,780 thousand).

## 41.4 Financial instrument by category

	Amortised cost	Fair value through profit or loss	Total
2023	(Rupees in '000')		
<b>Financial assets</b>			
<b>Maturity upto one year</b>			
Trade debts	1,366,122	-	1,366,122
Deposits and other receivables	255,610	-	255,610
Markup accrued	2,077	-	2,077
Other financial assets	3,000	304,919	307,919
Cash and bank balances	2,216,433	-	2,216,433
<b>Maturity after one year</b>			
Long term deposits	91,616	-	91,616
	3,934,858	304,919	4,239,777
<b>Financial liabilities</b>			
<b>Maturity upto one year</b>			
Trade and other payables	4,124,565	-	4,124,565
Unclaimed dividend	36,955	-	36,955
Markup accrued	70,874	-	70,874
Current portion of long term financing - secured	871,798	-	871,798
Current portion of lease liabilities	268,595	-	268,595
<b>Maturity after one year</b>			
Long term financing - secured	868,611	-	868,611
Deferred liabilities	24,570	-	24,570
Lease liabilities	459,047	-	459,047
	6,725,015	-	6,725,015

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Amortised cost	Fair value through profit or loss	Total
2022		(Rupees in '000')	
<b>Financial assets</b>			
<b>Maturity upto one year</b>			
Trade debts	964,769	-	964,769
Deposits and other receivables	267,811	-	267,811
Markup accrued	2,129	-	2,129
Other financial assets	3,000	510,235	513,235
Cash and bank balances	2,317,432	-	2,317,432
<b>Maturity after one year</b>			
Long term deposits	85,324	-	85,324
	3,640,465	510,235	4,150,700
<b>Financial liabilities</b>			
<b>Maturity upto one year</b>			
Trade and other payables	3,053,898	-	3,053,898
Unclaimed dividend	40,778	-	40,778
Markup accrued	35,658	-	35,658
Current portion of long term financing - secured	1,334,536	-	1,334,536
Current portion of lease liabilities	253,452	-	253,452
<b>Maturity after one year</b>			
Long term financing - secured	1,273,101	-	1,273,101
Lease liabilities	694,285	-	694,285
	6,685,708	-	6,685,708

## 41.5 Fair value

### Fair value versus carrying amounts

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Rupees in '000'				
<b>Assets carried at amortised cost</b>				
Long term deposits	91,616	91,616	85,324	85,324
Trade debts	1,366,122	1,366,122	964,769	964,769
Deposits and other receivables	255,610	255,610	267,811	267,811
Markup accrued	2,077	2,077	2,129	2,129
Other financial assets	3,000	3,000	3,000	3,000
Cash and bank balances	2,216,433	2,216,433	2,317,432	2,317,432
	<b>3,934,858</b>	<b>3,934,858</b>	<b>3,640,465</b>	<b>3,640,465</b>
<b>Assets carried at fair value</b>				
Other financial assets	304,919	304,919	510,235	510,235
<b>Liabilities carried at amortised cost</b>				
Long term financing - secured	868,611	868,611	1,273,101	1,273,101
Deferred Liabilities	24,570	24,570	-	-
Lease liabilities	459,047	459,047	694,285	694,285
Trade and other payables	4,124,565	4,124,565	3,053,898	3,053,898
Unclaimed dividend	36,955	36,955	40,778	40,778
Markup accrued	70,874	70,874	35,658	35,658
Current portion of long term financing - secured	871,798	871,798	1,334,536	1,334,536
Current portion of lease liabilities	268,595	268,595	253,452	253,452
	<b>6,725,015</b>	<b>6,725,015</b>	<b>6,685,708</b>	<b>6,685,708</b>

The basis for determining fair values is as follows:

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 42 FAIR VALUE HIERARCHY

### Other financial assets

Fair value of investment in mutual funds (Note 24.2) has been determined using quoted repurchase price at reporting date and categorised under level 1 of fair value hierarchy.

### Fair value of land

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

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

## 43 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

		2023	2022
Description	Explanation	(Rupees in '000')	
Bank balances	Placed under interest	245,855	180,188
	Placed under sharia permissible arrangement	753,580	409,182
		999,435	589,370
Return on bank deposit for the year	Placed under interest	7,750	6,121
	Placed under sharia permissible arrangement	34,413	10,216
		42,163	16,337
Interest and dividend income on investment for the year	Placed under interest	441	228
	Placed under sharia permissible arrangement	94,955	81,358
		95,396	81,586
Segment revenue	Disclosed in note 28		
Exchange gain earned	Disclosed in note 29		
Loans obtained as per Islamic mode		1,601,160	2,172,438
Mark up paid on Islamic mode of financing		305,023	275,712
Interest paid on any conventional loan		1,896	5,392



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## Relationship with sharia compliant banks

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

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

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## 44 OPERATING SEGMENTS

The financial statements have been prepared on the basis of single reportable segment. All revenue of the Company is earned in Pakistan. All non-current assets of the Company at June 30, 2023 are located in Pakistan. There is no segment with more than 10% of total revenue of the Company for the year.

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

The board of directors of the Company in its meeting held on September 30, 2023 has proposed a final cash dividend for the year ended June 30, 2023 @ Rs. 1.5 /- per share, amounting to Rs. 94,822 thousand for approval of the members in the Annual General Meeting to be held on October 27, 2023. The unconsolidated financial statements for the year ended June 30, 2023 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

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## 46 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation. However, no major reclassification has been made during the year.

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## 47 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue by the board of directors of the Company on September 30, 2023.

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## 48 GENERAL

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER



# CONSOLIDATED **FINANCIAL STATEMENTS**

For the year ended June 30, 2023



**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHIFA INTERNATIONAL HOSPITALS LIMITED****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the annexed consolidated financial statements of **Shifa International Hospitals Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

**Basis for Opinion**

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

**Key Audit Matters**

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





Following are the key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b> (Refer note 29 to the financial statement)</p> <p>The Group's revenue consists of inpatient revenue, outpatient revenue, pharmacy, cafeteria, rent of building and other services.</p> <p>During the year ended June 30, 2023, the Group recognised aggregate revenue of Rs. 19,942.724 million from rendering of services to inpatients, outpatients, external pharmacy outlets, cafeteria sales, operating leases to related parties/ other parties and corporate services to associate.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions with a large number of customers in various geographical locations and revenue being one of the key performance indicator of the Group. Accordingly, it was considered as a key audit matter.</p>	<p>Our procedures in relation to revenue recognition, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated management controls over revenue and checked their validations;</li> <li>• Performed test of controls and evaluation of Information Technology General Controls (ITGC) with the assistance of our IT expert to assess the operating effectiveness of controls related to the automation of revenue recognition;</li> <li>• Checked that revenue has been recognised in accordance with the Group's accounting policy and the applicable reporting framework;</li> <li>• Performed verification of sample of revenue transactions with underlying documentation including invoices, agreements, charge-sheets and other relevant underlying documents;</li> <li>• Checked cash receipts from customers on sample basis against the revenue booked during the year;</li> <li>• Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;</li> <li>• Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and</li> <li>• Assessed the appropriateness of disclosures made in the financial statements related to revenue as required under the applicable reporting framework.</li> </ul>



Sr. No.	Key audit matters	How the matter was addressed in our audit
2.	<p><b>Expected credit loss allowance on trade debts</b> (Refer note 22 to the financial statement)</p> <p>The Group has recognised balance of an expected credit loss allowance of Rs. 228.362 million on gross amount of trade debts of Rs. 1,594.484 million as at June 30, 2023.</p> <p>Under IFRS 9, the Group is required to recognise expected credit loss allowance for financial assets using Expected Credit Loss (ECL) model. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information etc. We have considered the expected credit loss assessment as a key audit matter due to the significance of estimates and judgments involved.</p>	<p>Our audit procedures in relation to expected credit loss assessment of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Understood the management's process for estimating the ECL in relation to trade debts. Assessed and evaluated the assumptions used by the management in determining impairment loss under the ECL model;</li> <li>• Checked appropriateness of ageing, on sample basis, by comparing individual balances with underlying documentation;</li> <li>• Reviewed the appropriateness of assumptions used for ECL computation from relevant external and internal sources;</li> <li>• Circularized balance confirmation for trade debtors on sample basis and evaluated responses received;</li> <li>• Checked subsequent clearance of balances due as of June 30, 2023 on sample basis; and</li> <li>• Assessed the appropriateness of disclosures related to impairment assessment of trade debts as required under the applicable reporting framework.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors report thereon.

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

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





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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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


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

#### **Other Matter Paragraph**

The consolidated financial statements of the Group for the year ended June 30, 2022 were audited by another firm of chartered accountants, who had expressed an unmodified opinion vide their report dated September 30, 2022.

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

ISLAMABAD  
DATED: 30 September 2023  
UDIN: AR202310095B4KFUNCik

  
BDO EBRAHIM & CO  
CHARTERED ACCOUNTANTS





# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

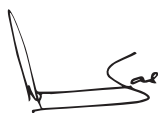
	Note	2023 (Rupees in '000')	2022
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 100,000,000 (2022: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital	5	632,144	632,144
<b>Capital reserves</b>			
Share premium	6	2,738,888	2,738,888
Surplus on revaluation of property, plant and equipment	7	2,032,194	1,546,319
<b>Revenue reserves</b>			
Unappropriated profits		5,991,558	4,898,668
		11,394,784	9,816,019
<b>NON - CONTROLLING INTEREST</b>	8	2,500,388	1,670,759
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	9	868,611	1,273,101
Deferred liabilities	10	423,143	339,877
Lease liabilities	11	297,008	435,708
		1,588,762	2,048,686
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	4,793,572	3,648,044
Unclaimed dividend		36,955	40,778
Markup accrued	13	70,874	35,658
Current portion of long term financing - secured	9	871,798	1,334,536
Current portion of lease liabilities	11	169,979	173,173
		5,943,178	5,232,189
		21,427,112	18,767,653
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

		2023	2022
	Note	(Rupees in '000')	
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	15	13,987,475	11,638,803
Intangible assets	16	40,035	51,957
Investment property - at cost	17	748,450	-
Long term investments	18	45,079	32,862
Long term deposits	19	104,330	89,093
		14,925,369	11,812,715
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	20	251,698	210,189
Stock in trade	21	982,498	711,968
Trade debts	22	1,366,122	964,769
Loans and advances	23	434,901	647,227
Deposits, prepayments and other receivables	24	266,493	249,402
Markup accrued		2,077	2,129
Other financial assets	25	554,352	909,625
Tax refunds due from the government (net of provision)	26	320,936	470,176
Cash and bank balances	27	2,322,666	2,468,500
		6,501,743	6,633,985
Non - current assets held for sale	28	-	320,953
		21,427,112	18,767,653



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

		2023	2022
	Note	(Rupees in '000')	
Revenue - net	29	19,716,154	16,192,168
Other income	30	647,629	640,328
Operating costs	31	(17,905,843)	(14,747,818)
Finance cost	32	(434,403)	(347,245)
Expected credit losses	24.2 & 42.1.3	(57,105)	(112,618)
Share of profit / (loss) of an associate	18	12,217	(3,099)
Profit before taxation		1,978,649	1,621,716
Provision for taxation	33	(821,544)	(492,547)
Profit after taxation		1,157,105	1,129,169
<b>Attributable to:</b>			
Equity holders of SIHL		1,168,732	1,141,310
Non-controlling interest		(11,627)	(12,141)
		1,157,105	1,129,169
Earnings per share - basic and diluted (Rupees)	34	18.49	18.05

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
Profit after taxation		1,157,105	1,129,169
<b>Other comprehensive income:</b>			
<b>Items that will not be subsequently reclassified in the consolidated statement of profit or loss:</b>			
Loss on remeasurement of staff gratuity fund benefit plan	12.5.4	(26,884)	(23,961)
Deferred tax relating to remeasurement of staff gratuity fund benefit plan		10,485	7,907
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)		(16,399)	(16,054)
Foreign currency translation adjustment		458	703
		(15,941)	(15,351)
Surplus on revaluation of land		837,802	214,861
<b>Total comprehensive income for the year</b>		<b>1,978,966</b>	<b>1,328,679</b>
<b>Attributable to:</b>			
Equity holders of SIHL		1,672,313	1,297,966
Non-controlling interest		306,653	30,713
		<b>1,978,966</b>	<b>1,328,679</b>

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profits	Non - controlling interest (NCI)	Total
(Rupees in '000')						
<b>Balance as at July 01, 2021</b>	619,749	2,751,283	1,409,434	3,832,409	1,119,806	9,732,681
<b>Total comprehensive income for the year:</b>						
Profit / (loss) after taxation	-	-	-	1,141,310	(12,141)	1,129,169
Other comprehensive income - net of tax	-	-	172,007	(15,351)	42,854	199,510
	-	-	172,007	1,125,959	30,713	1,328,679
Realisation of revaluation surplus on disposal of assets	-	-	(24,883)	24,883	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(10,239)	10,239	-	-
NCI recognised during the year	-	-	-	-	520,240	520,240
<b>Distribution to owners:</b>						
Bonus shares issued for the year ended June 30, 2021 @ 2 %	12,395	(12,395)	-	-	-	-
Dividend-Interim 2022 @ Rs. 1.5 per share	-	-	-	(94,822)	-	(94,822)
<b>Balance as at June 30, 2022</b>	632,144	2,738,888	1,546,319	4,898,668	1,670,759	11,486,778
<b>Total comprehensive income for the year:</b>						
Profit / (loss) after taxation	-	-	-	1,168,732	(11,627)	1,157,105
Other comprehensive income - net of tax	-	-	519,522	(15,941)	318,280	821,861
	-	-	519,522	1,152,791	306,653	1,978,966
Realisation of revaluation surplus on disposal of assets	-	-	(19,463)	19,463	-	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(14,184)	14,184	-	-
NCI recognised during the year	-	-	-	-	524,250	524,250
<b>Change in ownership interest:</b>						
Acquisition of shareholding by SIHL	-	-	-	1,274	(1,274)	-
<b>Distribution to owners:</b>						
Dividend-Final 2022 @ Rs. 1.5 per share	-	-	-	(94,822)	-	(94,822)
<b>Balance as at June 30, 2023</b>	632,144	2,738,888	2,032,194	5,991,558	2,500,388	13,895,172

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,978,649	1,621,716
<b>Adjustments for:</b>		
Depreciation / amortisation on tangible assets	974,152	877,782
Amortisation on intangible assets	12,002	21,296
Expected credit losses	57,105	112,618
Property, plant and equipment written off	8,222	2,234
Gain on disposal of tangible assets	(42,202)	(69,269)
Gain on termination of right of use assets	(5,063)	-
Provision for compensated absences	72,408	67,049
Provision for defined contribution plan	94,703	53,655
Provision for bonus for employees	134,864	125,814
Provision for gratuity	99,896	164,464
(Reversal) / charged of provision for slow moving stores	(5,923)	2,687
Loss on disposal of slow moving stores	3,866	-
Share of (profit) / loss of an associate	(12,217)	3,099
Gain on investments and bank deposits	(163,677)	(104,958)
Gain on foreign currency translation	(375,747)	(416,637)
Finance cost	434,403	347,245
Operating cash flows before changes in working capital	3,265,441	2,808,795
<b>Changes in working capital:</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(39,452)	(47,564)
Stock-in-trade	(270,530)	(53,688)
Trade debts	(458,458)	(157,497)
Loans and advances	212,326	(298,308)
Deposits, prepayments and other receivables	(33,173)	(233,836)
<b>Increase in current liabilities:</b>		
Trade and other payables	1,038,626	287,890
	449,339	(503,003)
Cash generated from operations	3,714,780	2,305,792
Finance cost paid	(335,215)	(275,864)
Income tax paid	(603,123)	(465,990)
Payment to SIHL Employees' Gratuity Fund Trust	(141,271)	(241,218)
Compensated absences paid	(58,095)	(49,695)
Payment to defined contribution plan	(97,999)	(24,467)
Net cash generated from operating activities	2,479,077	1,248,558

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property, plant and equipment (PPE)		(2,972,893)	(1,713,331)
Addition to intangible assets		-	(41,201)
Encashment of other financial assets - net		514,911	304,438
Proceeds from disposal of PPE and items classified as held for sale		97,663	251,206
Markup received		55,714	34,120
Increase in long term deposits		(15,136)	(19,468)
Net cash used in investing activities		(2,319,741)	(1,184,236)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Non-controlling interest		524,250	520,240
Long term financing - repayments		(1,353,678)	(1,417,563)
Proceeds from long term financing		470,534	212,009
Deferred grant received		15,918	47,060
Lease liabilities - repayments		(188,129)	(172,702)
Dividend paid		(98,645)	(89,202)
Net cash used in financing activities		(629,750)	(900,158)
Net decrease in cash and cash equivalents		(470,414)	(835,836)
<b>Cash and cash equivalents at beginning of the year</b>		<b>2,540,324</b>	<b>2,958,820</b>
Effect of exchange rate changes on cash and cash equivalents		376,205	417,340
<b>Cash and cash equivalents at end of the year</b>	40	<b>2,446,115</b>	<b>2,540,324</b>

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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## 1 STATUS AND NATURE OF BUSINESS

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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.

SIHL was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and converted into a public limited company on October 12, 1989. The shares of the SIHL are quoted on Pakistan Stock Exchange Limited. The registered office of the SIHL is situated at Sector H-8/4, Islamabad. The principal activity of SIHL is to establish and run medical centers and hospitals in Pakistan. The SIHL has established its first hospital in 1993 in H-8/4 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4 Islamabad. The SIHL is also running medical centers, lab collection points and pharmacies in different cities of Pakistan.

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 facility, medical staff, human resource, architectural designing, procurement, hospital quality and project management services. The registered office of SDSPL is situated at Shifa International Hospitals Limited, Sector H-8/4, Islamabad.

Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad) was incorporated in Pakistan on February 28, 2019. The principal line of business is to establish, run, control, manage and operate state of the art neuro sciences institute including diagnostic centres, clinics, laboratories, operation theaters, dental clinics, healthcare centres and provide all healthcare and surgical related facilities of different diseases, inpatient and outpatient services and treatment of viral, bacterial and chronic diseases and all other related services thereof, subject to permission from relevant authorities, if required. The registered office of SNS Islamabad is situated at Sector H-8/4, Islamabad.

Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) was incorporated in Pakistan on February 28, 2019. The principal line of business of the SNH Faisalabad is to establish, run, control, manage and operate tertiary / quaternary care hospitals including diagnostic centers, clinics, laboratories, operation theaters, dental clinics, healthcare centers and provide all healthcare and surgical related facilities of different diseases, inpatient and outpatient services and treatment of viral, bacterial and chronic diseases and all other related services thereof, subject to permission from relevant authorities, if required. The registered office of the SNH Faisalabad is situated at Sector H-8/4, Islamabad.

Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad) was incorporated in Pakistan on February 28, 2019. The principal line of business of the SMC Islamabad is to establish, run, control, manage and operate facilities providing ambulatory services including day care surgeries, diagnostic centers, clinics, laboratories, operation theaters, dental clinics, healthcare centers and provide all healthcare and surgical related facilities of different diseases, inpatient and outpatient services and treatment of viral, bacterial and chronic diseases and all other related services thereof, subject to permission from relevant



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

authorities, if required. The registered office of the SMC Islamabad is situated at Shifa International Hospitals Limited, Sector H-8/4, Islamabad.

The board of directors of the SIHL has decided to divest the SIHL's entire shareholding in its subsidiary "SMC Islamabad". Pursuant to the said decision SMC Islamabad is currently in process of completing the structure of the hospital building before initiating the marketing campaign.

Shifa International-DWC LLC (SIDL) was incorporated in United Arab Emirates on December 16, 2019 as limited liability company. The principal activities of the SIDL which it may perform under the license issued by Dubai Aviation City Corporation are marketing and project management services. The registered office of the SIDL is situated at 106 B-2 Pulse residence-3, P.O Box, 390667, Dubai South UAE.

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

H-8 Hospital, Pitras Bukhari road, Sector H-8/4, Islamabad

G-10/4 Hospital, G-10 Markaz, Islamabad

Shifa Pharmacy, Gulberg Greens, Islamabad

Shifa Pharmacy, F-11 Markaz, Islamabad

Faisalabad Hospital, Main Jaranwala road, Faisalabad

Shifa Pharmacy, Iskandarabad, Mianwali

Shifa Pharmacy, National Radio Telecommunication Corporation, Haripur

Shifa Pharmacy, Telephone Industries of Pakistan, Haripur

Shifa Pharmacy, Ring Road, Peshawar

Shifa Pharmacy, Jamrud Road, Peshawar

Shifa Pharmacy, WAPDA, Mangla

Shifa Medical and Facilitation Center, Hayatabad, Peshawar

Percentage share in total revenue given in note 29.	2023	2022
Islamabad	97%	97%
Faisalabad	3%	3%
	100%	100%

The consolidated financial statements of the Group has been presented based upon initialed accounts for Shifa Medical Center Islamabad (Private) Limited and Shifa National Hospital Faisalabad (Private) Limited as at June 30, 2023.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- Provisions of and directives issued under the Companies Act, 2017.

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

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency.

## 2.4 Use of estimates and judgments

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

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

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

- Estimate of recoverable amount of investment in associated company - notes 4.1 and 18
- Estimate of fair value of financial liabilities at initial recognition - notes 4.4, 4.16.4 and 9
- Provision for taxation - notes 4.5, 10 and 33
- Right of use assets and corresponding lease liability - notes 4.6, 11 and 15
- Employee benefits - notes 4.8, 12.4 and 12.5
- Provisions and contingencies - notes 4.9, 4.10 and 14
- Estimate of useful life of property, plant and equipment - notes 4.11 and 15
- Estimate of useful life of intangible assets - notes 4.12 and 16
- Impairment of non-financial assets - notes 4.14
- Expected credit loss allowance - notes 4.16.2, 24.2 and 42.1.3
- Provision for slow moving stores, spares and loose tools - notes 4.17, 4.18, 15.11.2 and 20

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

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

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

		Effective date annual reporting periods beginning on or after
IAS 1	Presentation of Financial Statements (Disclosure of accounting policies Amendments)	January 1, 2023
IAS 7	Statements of Cash Flows (Amendments)	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 1	Presentation of Financial Statements (Non-current liabilities with covenants Amendments)	January 1, 2024
IFRS 7	Financial Instruments	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024

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

### 3.3 Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2023:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service Concession Arrangements

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.1 Basis of consolidation

These consolidated financial statements includes the financial statements of Shifa International Hospitals Limited and its subsidiaries, SDSPL 55% owned (2022: 55% owned), SNS Islamabad 100% owned (2022: 100% owned), SMC Islamabad 56% owned (2022: 56% owned), SNH Faisalabad 61% owned (2022: 60% owned) and SIDL 100% owned (2022: 100% owned).

### Subsidiaries

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

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non controlling interest's proportionate share of the acquiree's identifiable net assets.

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

### Associate (equity accounted investee)

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

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

## **Loss of control**

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

## **4.2 Share capital and dividend**

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

## **4.3 Financing and finance cost**

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

## **4.4 Government grants**

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

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

Grants that compensate the Group for expenses incurred, are recognised on a systematic basis in the income for the year in which the finance cost are recognised and finance cost are reported net of grant in note 32.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.5 Taxation

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

### Current

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

### Deferred

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

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

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

Deferred tax asset of Rs. 78,909 thousand (2022: Rs. 55,179 thousand) on deductible temporary difference of Rs. 272,100 thousand (2022: Rs. 190,273 thousand) has not been recorded in respect of subsidiaries.

## 4.6 Leases

### 4.6.1 Right of use assets (ROUs)

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

## 4.6.2 Lease liability

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

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

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

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

## 4.7 Trade and other payables

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

## 4.8 Employee benefits

### Defined benefit plan

The SIHL operates approved funded gratuity scheme for all its non management employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the consolidated statement of profit or loss. The actuarial gains or losses at each evaluation date are charged to consolidated statement of other comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

## **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan where monthly contribution equal to 1/12th of eligible salary are made by the SIHL in employees' pension fund account maintained with designated asset management company and recognised as expense in the consolidated statement of profit or loss as and when they become due. Employees will be eligible for pension fund on the completion of minimum qualifying period. On fulfilment of criteria accumulated contribution against qualifying period of services from the date of joining classified as deferred liability and will be transferred to employees' pension fund account.

## **Compensated absences**

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

### **4.9 Provisions**

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

### **4.10 Contingencies**

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.11 Property, plant and equipment

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

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

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

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

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

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

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.12 Intangible assets

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

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

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

## 4.13 Investment property - at cost

Investment property, principally comprising of land, is held for long term capital appreciation and is valued using the cost method i.e. at cost less impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any.

The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as income or expense in the consolidated statement of profit or loss.

## 4.14 Impairment of non - financial assets

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## **4.15 Investments**

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

## **4.16 Financial assets**

### **Initial measurement**

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

The Group classifies its financial assets into following three categories:

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

### **Subsequent measurement**

#### **i) Debt instrument at FVOCI**

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

#### **ii) Equity instrument at FVOCI**

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

#### **iii) Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gain or loss, including any interest / markup or dividend income, is recognised in the consolidated statement of profit or loss.

#### **iv) Financial asset at amortised cost**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 4.16.1 Other financial assets

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

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

## 4.16.2 Impairment of financial assets

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

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

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date reduced by security deposit held. For other financial assets, the ECL is based on the 12-month ECL. The 12 month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

## **4.16.3 Derecognition**

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

## **4.16.4 Financial liabilities**

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain or loss is recognised in the consolidated statement of profit or loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit or loss.

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

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

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

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

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

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

## **4.18 Stock in trade**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

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

## **4.20 Cash and cash equivalents**

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

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

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

## **4.22 Foreign currencies**

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

## **4.23 Operating segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions. The Group's management has determined that the Group has a single reportable segment as the board of directors views the Group's operations as one reportable segment.

## **4.24 Revenue recognition**

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

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

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

Scrap sales and miscellaneous receipts are recognised on realised amounts.

## **4.25 Earnings per share**

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

## **4.26 Fair value measurement**

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

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

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

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

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

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

<b>5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>					
<b>2023</b>			<b>2022</b>		
<b>(Number)</b>			<b>(Rupees in '000')</b>		
<b>61,974,886</b>	61,974,886	Ordinary shares of Rs.10 each issued for cash	<b>619,749</b>	619,749	
<b>1,239,497</b>	1,239,497	Ordinary shares of Rs.10 each issued as fully paid bonus shares	<b>12,395</b>	12,395	
<b>63,214,383</b>	63,214,383		<b>632,144</b>	632,144	

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

**5.2** 7,585,725 (2022: 7,585,725) ordinary shares representing 12% (2022: 12%) shareholding in the SIHL are owned by International Finance Corporation (IFC). IFC has the right to nominate one director at the board of directors of the SIHL as long as IFC holds ordinary shares representing 5% of total issued share capital of the SIHL. Further, the SIHL if intends to amend or repeal the memorandum and articles, effects the rights of IFC on its shares issuance of preference shares ranking seniors to the equity securities held by IFC, incur any financial debt to any shareholder, change the nature of the business of the SIHL etc. shall seek consent of IFC.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

## **5.4 Capital management**

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

	2023	2022
	(Rupees in '000')	
Equity	11,394,784	9,816,019
Debt including impact of lease liabilities	2,207,396	3,216,518
Debt to equity ratio	0.16	0.25

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

## **6 SHARE PREMIUM**

This comprises of share premium of Rs. 5, Rs. 250 and Rs. 229.29 per share received on issue of 8,000,000, 4,024,100 and 7,436,986 ordinary shares of Rs. 10 each in the years 1994, 2016 and 2020, respectively. Out of the above the SIHL during the year ended June 30, 2022 has issued bonus shares at the rate of 2 % (total 1,239,497 bonus shares having face value of Rs. 10 each) as approved in Annual General meeting held on October 28, 2021. The balance reserve cannot be utilized except for the purposes mentioned in section 81 of the Companies Act, 2017.

	2023	2022
<b>7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	(Rupees in '000')	
Balance at beginning of the year	1,546,319	1,409,434
Revaluation surplus during the year	837,802	214,861
Transfer to non-controlling interest	(318,280)	(42,854)
Realisation of revaluation surplus on disposal of assets	(19,463)	(24,883)
Transferred to unappropriated profits in respect of incremental depreciation / amortisation charged during the year	(14,184)	(10,239)
Balance at end of the year	2,032,194	1,546,319

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 8 NON - CONTROLLING INTEREST (NCI)

8.1 Following is the summarised financial information of SDSPL, SNH Faisalabad and SMC Islamabad:

NCI percentage	SDSPL		SNH Faisalabad		SMC Islamabad		Total
	45%	45%	39%	40%	44%	44%	
	2023	2022	2023	2022	2023	2022	
(Rupees in '000')							
Summarised statement of financial position							
Current assets	106,464	198,390	163,148	302,392	347,060	522,480	616,672
Non-current assets	30,287	27,142	2,865,512	1,575,467	2,788,536	1,658,008	5,684,335
Current liabilities	61,890	110,942	111,502	83,870	31,187	14,473	204,579
Non-current liabilities	12,285	8,481	32,441	2,831	-	2,448	13,760
Net assets	62,576	106,109	2,884,717	1,791,158	3,104,409	2,163,567	4,060,834
Accumulated NCI	(19,195)	(8,748)	1,146,132	724,105	1,373,452	955,402	1,670,759
Summarised statement of comprehensive income							
Net revenue	268,200	334,704	-	-	-	-	334,704
Other income	1,014	5,387	21,409	9,691	25,441	19,454	47,864
Profit/(loss) for the year	(43,534)	43,314	(13,986)	(4,197)	(9,811)	(6,225)	32,892
Other comprehensive income	-	-	118,696	21,996	619,652	77,789	99,785
Total comprehensive income / (loss)	(43,534)	43,314	104,710	17,799	609,841	71,564	132,677
Profit / (loss) attributable to NCI	(10,252)	(16,307)	(1,516)	2,413	141	1,753	(12,141)
Comprehensive income for the year attributable to NCI	-	-	46,686	8,798	271,593	34,056	42,854
Total comprehensive income / (loss) for the year attributable to NCI	(10,252)	(16,307)	45,170	11,211	271,734	35,809	30,713
Summarised statement of cash flows							
Cash flows from operating activities	(17,981)	47,420	140,284	(124,162)	(39,824)	(219,418)	(296,160)
Cash flows from investing activities	720	(17,532)	(1,128,835)	(760,971)	(316,113)	(161,460)	(939,963)
Cash flows from financing activities	(1,836)	(1,548)	988,849	860,100	331,000	400,000	1,258,552
Net increase / (decrease) in cash and cash equivalent	(19,097)	28,340	298	(25,033)	(24,937)	19,122	22,429

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
9	LONG TERM FINANCING - SECURED	Note	(Rupees in '000')	
	<b>From banking companies and non banking financial institution:</b>			
	Syndicated Islamic Finance Facility	9.1	<b>713,818</b>	1,283,907
	Diminishing Musharakah Facility-1	9.2	<b>72,176</b>	250,754
	Diminishing Musharakah Facility-2	9.3	<b>250,000</b>	416,667
	Diminishing Musharakah Facility-3	9.4	<b>407,196</b>	26,160
	Refinance Facility to Combat COVID-19 (RFCC)	9.5	<b>111,419</b>	88,194
	Deferred income - Government grant		<b>27,830</b>	29,483
			<b>139,249</b>	117,677
	Islamic Refinance Facility to Combat COVID -19 (IRFCC)	9.6	<b>107,798</b>	128,952
	Deferred income - Government grant		<b>13,313</b>	20,014
			<b>121,111</b>	148,966
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	9.7	<b>29,412</b>	34,209
	Deferred income - Government grant		<b>7,447</b>	11,775
			<b>36,859</b>	45,984
	State Bank of Pakistan (SBP) - refinance scheme	9.8	-	311,283
	Deferred income - Government grant		-	6,239
			-	317,522
			<b>1,740,409</b>	2,607,637
	Less: current portion		<b>871,798</b>	1,334,536
			<b>868,611</b>	1,273,101

**9.1** 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% (2022: 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 repayable by August 22, 2024. The financing is secured by 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.

**9.2** This includes outstanding balance of Rs. 19.6 million (2022: Rs. 210.4 million) against the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (2022: Rs. 449.5 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (2022: 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 (2022: Rs. 20.7 million). This also includes an outstanding balance of Rs. 52.6 million (2022: Rs. 40.3



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

million) against long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 83.2 million (2022: Rs. 57.7 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (2022: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is nil (2022: Rs. 12.3 million).

- 9.3** This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (2022: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (2022: 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.
- 9.4** This represents a long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 407.2 million (2022: Rs. 26.2 million). Principal amount is repayable in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.70% (2022: 3 months KIBOR plus 0.70%) per annum. The financing is initially secured by ranking charge of Rs. 800 million and will be upgraded to first exclusive charge against plant and machinery being financed under DM facility to be installed / placed at Hospital located at H-8/4, Islamabad. The unavailed limit of this facility is Rs. 179.9 million (2022: Rs. 492.9 million).
- 9.5** This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 185.2 million (2022: Rs. 124.6 million). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly installments carrying profit at 1% 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. The unavailed limit of this facility is nil (2022: Rs. 75.4 million). Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognised at present value using the SIHL's effective profit rate along with the recognition of government grant as detailed below:

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	29,483	-
Received during the year	12,013	29,857
Amortisation during the year	(13,666)	(374)
Balance at end of the year	27,830	29,483

- 9.6** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (2022: Rs. 183.1 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). The unavailed limit of this facility is nil (2022: Rs. 16.9 million). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognised at present value using the SIHL's effective profit rate along with the recognition of government grant as detailed below:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	20,014	25,526
Received during the year	3,905	5,140
Amortisation during the year	(10,606)	(10,652)
Balance at end of the year	13,313	20,014

- 9.7** This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (2022: Rs. 45.9 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 in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by exclusive 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 recognised at present value using the SIHL's effective profit rate along with the recognition of government grant as detailed below:

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	11,775	-
Received during the year	-	12,063
Amortisation during the year	(4,328)	(288)
Balance at end of the year	7,447	11,775

- 9.8** This represented the long term finance facility 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 at a subsidised markup rate of 0.85% per annum. The facility with sanctioned limit of Rs. 1,012.2 million has been fully repaid on January 27, 2023. The facility was secured by first pari passu charge of Rs. 1,333.3 million over fixed assets (excluding land and building) of the SIHL.

	2023	2022
	(Rupees in '000')	
Balance at beginning of the year	6,239	44,101
Amortisation during the year	(6,239)	(37,862)
Balance at end of the year	-	6,239

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023		2022
10	DEFERRED LIABILITIES	Note	(Rupees in '000')	
	Deferred taxation	10.1	398,573	339,877
	Defined contribution plan		24,570	-
			423,143	339,877
10.1	Deferred tax liability	10.1.1	643,508	525,719
	Deferred tax asset	10.1.2	(244,935)	(185,842)
	Net deferred tax liability		398,573	339,877
10.1.1	<b>Deferred tax liability on taxable temporary differences:</b>			
	Accelerated depreciation / amortisation allowance		643,508	525,719
10.1.2	<b>Deferred tax asset on deductible temporary differences:</b>			
	Right of use assets net of lease liabilities		(59,683)	(34,742)
	Specific provisions		(119,119)	(87,261)
	Retirement benefit obligation		(66,133)	(63,839)
			(244,935)	(185,842)
10.1.3	<b>Breakup and movement of deferred tax balances is as follows:</b>			
	Deferred tax liabilities / (assets)	Opening balance	Statement of profit or loss	Other comprehensive Income
				Closing balance
				(Rupees in '000')
2023				
	<b>Effect of taxable temporary differences</b>			
	Accelerated depreciation / amortisation allowance	525,719	117,789	-
	<b>Effect of deductible temporary differences</b>			
	Right of use assets net of lease liabilities	(34,742)	(24,941)	-
	Specific provisions	(87,261)	(31,858)	-
	Retirement benefit obligation	(63,839)	8,191	(10,485)
		339,877	69,181	(10,485)
				398,573
2022				
	<b>Effect of taxable temporary differences</b>			
	Accelerated depreciation / amortisation allowance	504,777	20,942	-
	<b>Effect of deductible temporary differences</b>			
	Right of use assets net of lease liabilities	(13,462)	(21,280)	-
	Specific provisions	(83,981)	(3,280)	-
	Retirement benefit obligation	(75,735)	19,803	(7,907)
		331,599	16,185	(7,907)
				339,877

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

**10.1.4** Deferred tax assets and liabilities on temporary differences are measured at the rate of 39% (2022: 33%).

	2023	2022
<b>11 LEASE LIABILITIES</b>	<b>(Rupees in '000')</b>	
Balance at beginning of the year	<b>608,881</b>	384,043
Addition during the year	<b>59,045</b>	347,365
Interest expense during the year	<b>63,972</b>	52,635
Modification / termination during the year	<b>(76,782)</b>	(2,460)
Payment during the year	<b>(188,129)</b>	(172,702)
Balance at end of the year	<b>466,987</b>	608,881
Less: current portion	<b>169,979</b>	173,173
	<b>297,008</b>	435,708

**11.1** Lease liabilities are payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
	<b>(Rupees in '000')</b>		
<b>2023</b>			
Less than one year	<b>174,944</b>	<b>4,965</b>	<b>169,979</b>
Between one and five years	<b>280,166</b>	<b>138,363</b>	<b>141,803</b>
More than five years	<b>250,177</b>	<b>94,972</b>	<b>155,205</b>
	<b>705,287</b>	<b>238,300</b>	<b>466,987</b>
<b>2022</b>			
Less than one year	195,041	21,868	173,173
Between one and five years	406,123	135,160	270,963
More than five years	309,920	145,175	164,745
	911,084	302,203	608,881

		2023	2022
	Note	<b>(Rupees in '000')</b>	
<b>11.2</b>	<b>Amounts recognised in the consolidated statement of profit or loss</b>		
Interest expense on lease liabilities	32	<b>63,972</b>	52,635
Expense relating to short term / low value lease	31	<b>18,817</b>	14,782
		<b>82,789</b>	67,417

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
12	TRADE AND OTHER PAYABLES	Note	(Rupees in '000')	
	Creditors	12.1	2,572,419	1,767,504
	Accrued liabilities		804,610	586,888
	Advances from customers - contract liability	12.2	276,239	293,743
	Medical consultants' charges		651,675	511,357
	Security deposits	12.3	124,607	118,472
	Compensated absences	12.4	145,524	131,211
	Defined contribution plan		1,322	29,188
	Retention money		47,603	16,228
	Payable to Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund Trust (the Fund)	12.5	169,573	193,453
			4,793,572	3,648,044
12.1	<b>This includes payable to related parties (unsecured) as detailed below:</b>			
	Tameer - e - Millat Foundation (TMF)		12,803	11,660
	Shifa Tameer - e - Millat University (STMU)		12,009	6,458
			24,812	18,118
12.2	<b>Advances from customers - contract liability</b>			
	Balance at beginning of the year		293,743	272,841
	Revenue recognised during the year		(279,795)	(234,854)
	Advance received during the year		262,291	255,756
	Balance at end of the year		276,239	293,743
12.3	This includes security deposits retained from employees of Rs. 41,380 thousand (2022: Rs. 37,095 thousand) held in separate bank account and balances obtained from customers of Rs. 83,227 thousand (2022: Rs. 81,377 thousand) that are utilisable for the purpose of the business in accordance with agreements with customers.			
			2023	2022
			(Rupees in '000')	
12.4	<b>Compensated absences</b>			
	Balance at beginning of the year		131,211	113,857
	Provision made for the year		72,408	67,049
			203,619	180,906
	Payments made during the year		(58,095)	(49,695)
	Balance at end of the year		145,524	131,211
12.4.1	Actuarial valuation of compensated absences has not been carried out since SIHL management believes that the effect of actuarial valuation would not be material.			



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023	2022
	Note	(Rupees in '000')	
<b>12.5 The amount recognised in the consolidated statement of financial position:</b>			
Present value of defined benefit obligation	12.5.1	<b>387,539</b>	398,711
Fair value of plan assets	12.5.2	<b>(217,966)</b>	(205,258)
		<b>169,573</b>	193,453
<b>12.5.1 Movement in the present value of defined benefit obligation:</b>			
Balance at beginning of the year		<b>398,711</b>	798,687
Interest cost		<b>43,315</b>	47,760
Current service cost		<b>74,387</b>	105,084
Benefits paid / adjusted		<b>(142,049)</b>	(608,160)
Benefits payable		<b>(2,304)</b>	(1,725)
Loss arising on plan settlements		-	37,717
Remeasurement loss on defined benefit obligation		<b>15,479</b>	19,348
Balance at end of the year		<b>387,539</b>	398,711
<b>12.5.2 Movement in the fair value of plan assets:</b>			
Balance at beginning of the year		<b>205,258</b>	547,093
Expected return on plan assets		<b>27,195</b>	31,445
Contributions		<b>141,271</b>	241,218
Benefits paid / adjusted		<b>(142,049)</b>	(608,160)
Benefits payable		<b>(2,304)</b>	(1,725)
Remeasurement loss on plan assets		<b>(11,405)</b>	(4,613)
Balance at end of the year		<b>217,966</b>	205,258
<b>12.5.3 Charge for the year:</b>			
Current service cost		<b>74,387</b>	105,084
Interest cost		<b>43,315</b>	47,760
Loss arising on plan settlements		-	37,717
Expected return on plan assets		<b>(27,195)</b>	(31,445)
		<b>90,507</b>	159,116
<b>12.5.4 Remeasurements recognised in the consolidated statement of other comprehensive income (OCI):</b>			
Remeasurement loss on obligation		<b>15,479</b>	19,348
Remeasurement loss on plan assets		<b>11,405</b>	4,613
Remeasurement loss recognised in OCI		<b>26,884</b>	23,961
Deferred tax relating to remeasurement of staff gratuity fund benefit plan		<b>(10,485)</b>	(7,907)
		<b>16,399</b>	16,054

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023	2022
	Note	(Rupees in '000')	
<b>12.5.5</b>	<b>Movement in liability recognised in consolidated statement of financial position:</b>		
	Balance at beginning of the year	<b>193,453</b>	251,594
	Charge for the year	<b>90,507</b>	159,116
	Remeasurement recognised in OCI during the year	<b>26,884</b>	23,961
	Contributions during the year	<b>(141,271)</b>	(241,218)
	Balance at end of the year	<b>169,573</b>	193,453
<b>12.5.6</b>	<b>Plan assets comprise of:</b>		
	Term deposit receipts	<b>133,162</b>	133,892
	Ordinary shares of SIHL	<b>9,611</b>	14,056
	Cash and bank balances	<b>88,806</b>	68,619
	Payable to outgoing members	<b>(13,613)</b>	(11,309)
		<b>217,966</b>	205,258
<b>12.5.6.1</b>	Number of ordinary shares of SIHL held by the Fund at year end were 78,461 shares (2022: 78,461 shares) with market value of Rs. 122.49 (2022: Rs. 179.14) per share.		
<b>12.5.7</b>	Latest actuarial valuation was carried out by an independent actuary on June 30, 2023 using the Projected Unit Credit Method.		
		<b>2023</b>	<b>2022</b>
<b>12.5.8</b>	<b>Principal actuarial assumptions used in the actuarial valuation:</b>		
	Discount rate used for interest cost in profit or loss	<b>13.25%</b>	11.75%
	Discount rate used for year end obligation	<b>16.25%</b>	13.25%
	Expected rate of salary growth		
	- Salary increase FY 2023	<b>N/A</b>	N/A
	- Salary increase FY 2024-2025	<b>9.25%</b>	9.25%
	- Salary increase FY 2026 onward	<b>14.25%</b>	11.25%
	Mortality rate	<b>SLIC 2001-2005 set back 1 year</b>	SLIC 2001-2005 set back 1 year
	Withdrawal rates	<b>Age based</b>	Age based
	Retirement assumption	<b>Age 60</b>	Age 60

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 12.5.9 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarises 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.

	2023		2022	
	Defined benefit obligation Effect of 1% increase	Effect of 1% decrease	Defined benefit obligation Effect of 1% increase	Effect of 1% decrease
(Rupees in '000')				
Discount rate	363,941	414,544	373,013	427,045
Future salary increase	415,076	363,112	427,576	372,149

**12.5.10** The average duration of the defined benefit obligation as at June 30, 2023 is 7 years (2022: 8.5 years).

**12.5.11** The expected expense for the next year is amounted to Rs. 93,517 thousand.

## 12.5.12 Risks associated with the scheme

### Final salary risk

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

### Demographic risks

#### a) Mortality risk

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

#### b) Withdrawal risk

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

#### c) Investment risk

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

13	MARKUP ACCRUED	2023	2022
		(Rupees in '000')	
	Long term financing - secured	70,874	35,658

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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## 14 CONTINGENCIES AND COMMITMENTS

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### 14.1 Contingencies

**14.1.1** The guarantee issued by bank in favor of Sui Northern Gas Pipelines Limited (SNGPL) of aggregate sum of Rs. 33.1 million (2022: Rs. 43.35 million) on behalf of the SIHL in its ordinary course of business.

**14.1.2** Claims and penalties against the SIHL for alleged negligence attributed to consultants / doctors etc. and other matters aggregating to Rs. 5.4 million (2022: Rs. 3 million) are currently pending within the legal jurisdiction of Peshawar, Islamabad and Lahore High Courts as well as the Supreme Court of Pakistan. The management of the SIHL is contesting these claims and penalties, and believes that the contention of the claimants and penalties imposed will not be successful and no material liability is likely to arise.

**14.1.3** On June 06, 2012, the Competition Commission of Pakistan (CCP) imposed a penalty of Rs. 20 million (2022: Rs. 20 million) against each Gulf Cooperation Council's (GCC) Approved Medical Center (GAMC), including SIHL. This penalty was imposed due to allegations of engaging in non-competitive practices involving territorial division and equal allocation of customers among GAMCs. The SIHL's management, in conjunction with other GAMCs, is collaboratively contesting this issue which is presently pending before the Supreme Court of Pakistan. The SIHL's management firmly believes that a favorable judgment for the GAMCs, including SIHL, will be reached.

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

**14.1.4.1** The tax authorities have amended the assessments for the tax years 2012, 2013, 2014, 2015, 2016, and 2019 under section 122(5A)/124 of the Income Tax Ordinance, 2001 (the Ordinance). They have raised tax demands of Rs. 6.4 million, Rs. 97 million, Rs. 85.5 million, Rs. 26.1 million, Rs. 85.4 million, and Rs. 37 million respectively. The SIHL, feeling aggrieved, appealed these assessments before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) partly confirmed the assessments and partly provided relief to the SIHL. However, the assessment for the tax year 2015 was confirmed. The SIHL, still aggrieved, filed appeals against the appellate orders before the Appellate Tribunal Inland Revenue [ATIR] on various dates from September 2018 to November 2021, and these appeals are currently pending adjudication.

**14.1.4.2** The tax authorities imposed taxes of Rs. 109.6 million, Rs. 178.4 million, Rs. 27.4 million, and Rs. 29.2 million under section 161/205 of the Ordinance for the tax years 2016, 2014, 2013, and 2012 respectively, based on alleged non-deduction of tax on payments. The SIHL, feeling aggrieved, appealed these assessments before the CIR(A). Regarding the tax year 2012, the CIR(A) deleted the assessment, while for the tax years 2013 and 2016, the assessment was set aside, and for the tax year 2014, the assessment was confirmed. The SIHL, still aggrieved, filed appeals for the tax years 2013, 2014, and 2016 before the ATIR. The appeals for the tax years 2013 and 2016 were filed on November 26, 2019, and June 06, 2023 respectively, and they are currently pending adjudication. Additionally, the ATIR has set aside the assessment for the tax year 2014 for denovo consideration.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 14.1.4.3** The tax authorities amended the assessments for the tax years 2012, 2013, and from 2015 to 2017 under section 122(5) of the Ordinance. They raised an aggregate tax demand of Rs. 1,350.9 million. Feeling aggrieved, the SIHL appealed these assessments before the CIR(A). The CIR(A) annulled all the assessment orders, resulting in the deletion of the tax demand. Dissatisfied with the CIR(A)'s decision, the tax department filed an appeal before the ATIR on November 15, 2018, and these appeals are currently pending adjudication.
- 14.1.4.4** The tax authorities amended the assessments for the tax years 2014 and 2015 under section 221 of the Ordinance, resulting in an aggregate tax demand of Rs. 11.8 million. The SIHL, feeling aggrieved, filed appeals before the CIR (A). The CIR (A) remanded the assessments back to the ACIR. Both the SIHL and the tax department filed cross-appeals before the ATIR in January 2018, and these appeals are currently pending adjudication.
- 14.1.4.5** The tax authorities amended the assessment for the tax year 2014 under section 177 of the Ordinance, resulting in a tax demand of Rs. 1,143.8 million. Feeling aggrieved, the SIHL appealed the assessment before the CIR (A). The CIR (A) annulled the assessment order, resulting in the deletion of the tax demand. The tax department filed an appeal before the ATIR on November 27, 2019, against the decision of the CIR (A), which is currently pending adjudication.
- 14.1.4.6** The tax authorities imposed sales tax demands of Rs. 44.4 million, Rs. 56.2 million, Rs. 57.4 million, Rs. 55.9 million, and Rs. 11.3 million under section 11 of the Sales Tax Act, 1990. These demands were based on alleged non-payment of sales tax on sales of scrap, fixed assets, and cafeteria for the tax years 2016 to 2020 respectively. Regarding the SIHL's appeals for the tax years 2016, 2018, and 2020, the ATIR deleted the sales tax charged on cafeteria and fixed assets, while confirming the sales tax on scrap. Furthermore, for the tax years 2017 and 2019, the CIR(A) deleted the sales tax on cafeteria sales, while confirming the sales tax on sales of scrap and fixed assets. The SIHL has filed appeals before the ATIR against the confirmation of sales tax on scrap and fixed assets, and these appeals are currently pending adjudication.

Management is confident that the above disallowances and levies do not hold merit and the related amounts have been lawfully claimed in the income and sales tax returns as per the applicable tax laws and these matters will ultimately be decided in favor of the SIHL. Accordingly, no provision has been made in respect of above in these consolidated financial statements.

		2023	2022
		(Rupees in '000')	
<b>14.2</b>	<b>Commitments</b>		
<b>14.2.1</b>	Capital expenditure contracted	<b>104,711</b>	135,129
<b>14.2.2</b>	Letters of credit	-	138,470



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

15	PROPERTY, PLANT AND EQUIPMENT																		
Particulars	Note	Owned assets											Right of use assets						
		Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Leasehold Improvements	Biomedical equipment	Air conditioning equipment and machinery	Electrical and other equipment	Furniture and fittings	Construction equipment	Computer installations	Vehicles	Capital work in progress (note 15.11)	Office premises	Electrical equipment	Total		
																		(Rupees in '000')	
<b>Cost/Revalued amount</b>																			
<b>Balance as at July 01, 2021</b>																			
Additions		1,219,900	2,808,437	58,898	3,301,696	61,610	4,493,801	504,712	723,311	229,570	2,788	565,378	120,459	822,691	584,310	57,000	15,554,561		
Revaluation		6,030	-	-	-	22,586	118,418	7,438	44,963	10,692	223	65,493	30,580	1,406,908	368,187	-	2,081,518		
Disposals		66,252	148,609	-	-	-	(12,801)	-	-	-	-	(532)	(2,029)	-	-	-	214,861		
Termination of lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,362)		
Write offs		-	-	-	-	-	(13,451)	(4,032)	(1,213)	(132)	-	(3,423)	-	-	(7,241)	-	(7,241)		
Transfers		-	-	-	-	-	35,203	-	4,039	1,067	-	12,205	-	(52,514)	-	-	(22,251)		
<b>Balance as at June 30, 2022</b>		1,292,182	2,957,046	58,898	3,301,696	84,196	4,621,170	508,118	771,100	241,197	3,011	639,121	149,010	2,177,085	945,256	57,000	17,806,085		
<b>Balance as at July 01, 2022</b>																			
Additions		1,292,182	2,957,046	58,898	3,301,696	84,196	4,621,170	508,118	771,100	241,197	3,011	639,121	149,010	2,177,085	945,256	57,000	17,806,086		
Revaluation		3,932	20,583	-	-	-	425,851	61,011	105,326	21,162	152	64,899	32,037	2,265,339	75,384	-	3,075,676		
Disposals		118,696	619,652	-	-	-	-	-	-	-	-	(1,575)	(3,381)	-	-	-	738,348		
Termination / modification of lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,956)		
Reclassified as Investment property	15.5	(382,553)	-	-	-	-	(142,083)	(854)	(2,208)	(188)	-	(2,205)	-	-	(164,620)	-	(164,620)		
Write offs		-	-	-	-	-	285,709	-	5,976	2,030	-	-	-	-	-	-	(382,553)		
Transfers		-	-	-	62,492	313,085	285,709	-	5,976	2,030	-	-	-	(721,292)	-	-	(147,538)		
<b>Balance as at June 30, 2023</b>		1,032,257	3,597,281	58,898	3,364,188	397,281	5,190,647	568,275	932,194	264,201	3,163	700,240	177,666	3,721,132	856,020	57,000	20,920,443		
<b>Depreciation/amortisation</b>																			
<b>Balance as at July 01, 2021</b>																			
Charge for the year		-	152,741	3,927	844,853	40,294	2,507,104	303,292	517,314	143,261	1,889	441,149	93,861	-	248,884	30,084	5,328,653		
On disposals		-	37,752	2,944	109,027	12,511	335,151	52,083	58,225	17,710	272	69,544	11,813	-	151,750	19,000	877,782		
Termination of lease		-	-	-	-	-	(11,866)	-	-	-	-	(316)	(1,523)	-	-	-	(13,705)		
On write offs		-	-	-	-	-	-	-	(1,169)	(101)	-	(3,386)	-	-	(5,431)	-	(5,431)		
<b>Balance at June 30, 2022</b>		-	190,493	6,871	953,880	52,805	2,818,624	351,779	574,370	160,870	2,161	506,991	104,151	-	395,203	49,084	6,167,282		
<b>Balance as at July 01, 2022</b>																			
Charge for the year		-	190,493	6,871	953,880	52,805	2,818,624	351,779	574,370	160,870	2,161	506,991	104,151	-	395,203	49,084	6,167,282		
On disposals		-	42,322	2,945	109,656	44,178	369,671	52,221	92,241	17,740	282	68,040	16,465	-	177,874	7,916	1,001,551		
Termination of lease		-	-	-	-	-	-	-	-	-	-	(1,256)	(2,751)	-	-	-	(4,007)		
On write offs		-	-	-	-	-	(134,328)	(854)	(1,815)	(125)	-	(2,194)	-	-	(92,542)	-	(92,542)		
<b>Balance as at June 30, 2023</b>		-	232,815	9,816	1,063,536	96,983	3,053,967	403,146	664,796	178,485	2,443	571,581	117,865	-	480,535	57,000	6,932,968		
Carrying value as at June 30, 2022																			
		1,292,182	2,766,553	52,027	2,347,816	31,391	1,802,546	156,339	196,730	80,327	850	132,130	44,859	2,177,085	550,053	7,916	11,638,803		
Carrying value as at June 30, 2023																			
		1,032,257	3,364,466	49,082	2,300,652	300,298	2,136,680	165,129	267,398	85,716	720	128,659	59,801	3,721,132	375,485	-	13,987,475		
Annual rate of depreciation (%)																			
		-	1.01-3.03	5	2.5-10	20	10	10-15	10-15	10	10-20	25	20	-	6.15-50	-	33.33		

15.1 Addition to capital work in progress also includes depreciation of other equipment amounting to Rs. 27.40 million (2022: nil) capitalized during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

**15.2** The Group's freehold and leasehold lands were revalued on June 30, 2023 by an independent professional valuer using the fair market value basis which results in increase in surplus by Rs. 218,150 thousand and Rs. 619,652 thousand respectively. Total unamortised surplus against the revaluation of freehold and leasehold lands as at June 30, 2023 stood at Rs. 2,039,226 thousand (2022: Rs. 1,181,961 thousand).

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

	Cost	Accumulated amortisation	Carrying value
	(Rupees in '000')		
<b>Freehold land</b>			
<b>June 30, 2023</b>	<b>658,928</b>	<b>-</b>	<b>658,928</b>
June 30, 2022	980,135	-	980,135
<b>Leasehold land</b>			
<b>June 30, 2023</b>	<b>1,621,716</b>	<b>167,571</b>	<b>1,454,145</b>
June 30, 2022	1,599,133	144,697	1,454,436

**15.4** Particulars of Group's freehold and leasehold land are as follows:

		2023	2022
Location	Nature	Area	
Shifa Cooperative Housing Society, Islamabad Expressway - Sq.yds	Freehold land	<b>1,003</b>	1,003
Motorway, Mouza Noon, Islamabad - Kanal	Freehold land	-	100
Faisalabad Motorway - Kanal	Freehold land	-	48.2
SNHF Hospital, Faisalabad Sheikhpura Road - Kanal	Freehold land	<b>49.6</b>	49.6
SMCI Hospital, F-11, Islamabad - Kanal	Leasehold land	<b>6.7</b>	6.7
Neurosciences Institute, H-8/4, Islamabad - Kanal	Leasehold land	<b>11.7</b>	11.7
SIHL H-8/4, Islamabad - Kanal	Leasehold land	<b>87.8</b>	87.8

**15.5** Freehold land measuring 100 kanals located at Motorway, Mouza Noon, Islamabad and 48.2 kanals located at Chak No. 4, near Sargodha Road, Faisalabad has been re-classified to investment property (Note 17) as the SIHL wants to retain these lands for capital appreciation.

**15.6** Property, plant and equipment include items with aggregate cost of Rs. 2,635,621 thousand (2022: Rs. 2,370,718 thousand) representing fully depreciated assets that are still in use of the SIHL.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 15.7** Property, plant and equipment of the SIHL are encumbered under an aggregate charge of Rs. 7,665.6 million (2022: Rs. 7,665.6 million) in favor of banking companies under various financing arrangements as disclosed in note 9.
- 15.8** The forced sale value (FSV) of the revalued leasehold and freehold land have been assessed at Rs. 2,719,984 thousand (2022: Rs. 2,213,318 thousand) and Rs. 825,805 thousand (note 15.4) (2022: Rs. 1,033,746 thousand) respectively.
- 15.9** Immediately after acquisition, the sale deed for the land and building of SNS Islamabad was registered with the sub registrar office in Islamabad. After that, the SNS Islamabad began the processes with the Capital Development Authority (CDA) to transfer ownership of the property in the name of SNS Islamabad. However, the same has been objected by CDA before the court of competent jurisdiction without any substance and therefore the same is likely to be rejected.
- 15.10** Detail of property, plant and equipment disposed off during the year having carrying value of more than Rs. 500 thousand:

Asset particulars / Location	Note	Cost/ revalued amount	Carrying value	Sale proceeds	Gain on disposal	Purchaser	Mode of disposal
(Rupees in '000')							
Plots located at Shifa Cooperative Housing Society	28.1	54,512	54,512	95,000	40,488	Various independent third parties	Negotiation
Other assets having carrying value less than Rs. 500 thousand	15	4,956	949	2,663	1,714		
<b>2023</b>		<b>59,468</b>	<b>55,461</b>	<b>97,663</b>	<b>42,202</b>		
2022		188,090	174,385	251,206	76,821		

		Note	2023 (Rupees in '000')	2022
<b>15.11</b>	<b>Capital work in progress</b>			
	Construction work in progress	15.11.1	3,431,511	1,739,252
	Stores held for capital expenditure	15.11.2	-	976
	Installation of equipment in progress		289,621	436,857
			<b>3,721,132</b>	2,177,085

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 15.11.1 Construction work in progress

This represents the cost of civil work mainly comprising of cost of materials, payments to contractors, salaries and benefits pertaining to construction work being carried out as detailed below:

		2023	2022
	Note	(Rupees in '000')	
SMCI Hospital, F-11 Islamabad		1,252,612	806,923
SNHF Hospital, Faisalabad		1,819,784	638,747
Other construction		359,115	293,582
		3,431,511	1,739,252
<b>15.11.2 Stores held for capital expenditure</b>			
Stores held for capital expenditure		4,524	4,524
Less: provision for slow moving items	15.11.2.1	4,524	3,548
		-	976
<b>15.11.2.1</b>			
Balance at beginning of the year		3,548	3,548
Charged during the year		976	-
Balance at end of the year		4,524	3,548
<b>16 INTANGIBLE ASSETS</b>			
Softwares in use	16.1	660	12,582
Software under development	16.2	39,375	39,375
		40,035	51,957
<b>16.1 Softwares is use</b>			
<b>Cost</b>			
Balance at beginning of the year		108,042	106,216
Addition during the year		130	1,826
Balance at end of the year		108,172	108,042
<b>Accumulated amortisation</b>			
Balance at beginning of the year		95,460	74,164
Charged during the year		12,002	21,296
Balance at end of the year		107,512	95,460
<b>Net book value</b>		660	12,582

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
<b>16.2 Software under development</b>			
Balance at beginning of the year		<b>39,375</b>	-
Addition during the year	16.2.1	-	39,375
Balance at end of the year		<b>39,375</b>	39,375

**16.2.1** This represented the amount paid to Shifa Care (Private) Limited for provision of Hospital Supply Chain Management system (HSCM). Out of total scope, integration and testing of the developed modules with existing Hospital Management Information System (HMIS) and Oracle EBS alongwith user acceptance testing is in progress and is expected to be completed in next financial year.

**16.3** Amortisation of softwares in use has been recorded at rate of 10% - 25 % (2022: 10% - 25%) per annum.

	Note	2023 (Rupees in '000')	2022
<b>17 INVESTMENT PROPERTY - AT COST</b>			
Balance at beginning of the year		-	-
Reclassified during the year		<b>748,450</b>	-
Balance at end of the year	17.1	<b>748,450</b>	-

**17.1** This represents freehold land comprising of 11 plots at Shifa Cooperative Housing Society, Islamabad Expressway (SCHS), 48.2 kanal at Chak No. 4, near Sargodha Road, Faisalabad and 152.55 kanal at Motorway, Mouza Noon, Islamabad, held for capital appreciation, therefore classified as investment property. As at June 30, 2023, the fair value and forced sale value of the land located at SCHS, Sargodha Road Faisalabad and Motorway, Mouza Noon, Islamabad are Rs. 320,302 thousand, Rs. 135,924 thousand, Rs. 456,497 thousand and Rs. 256,241 thousand, Rs. 108,739 thousand, Rs. 365,198 thousand respectively.

Subsequent to the year-end property dealer of the Company informed about the sale of land measuring 49.05 kanal located at Motorway, Mouza Noon, Islamabad but has not transferred / provided both consideration and sale documents of land. Currently, the Company is evaluating the appropriate course of actions to be initiated against property dealer.

		2023 (Rupees in '000')	2022
<b>18 LONG TERM INVESTMENT</b>			
<b>Shifa Care (Private) Limited (SCPL) - Associated Company (unquoted)</b>			
Balance at beginning of the year		<b>32,862</b>	35,961
Share in profit / (loss) for the year		<b>12,217</b>	(3,099)
Balance at end of the year		<b>45,079</b>	32,862



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

This represents investment in 4,500,050 (2022: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (2022: 50%) shareholding in SCPL held by the SIHL. Summary of results of SCPL are as under:

	2023	2022
	(Rupees in '000')	
<b>Summarised statement of financial position</b>		
Non-current assets	75,191	58,322
Current assets	35,362	52,787
Current liabilities	(20,396)	(45,385)
Net assets	90,157	65,724
<b>Reconciliation to carrying amounts:</b>		
Opening net assets	65,724	71,923
Total comprehensive income / (loss) for the year	24,433	(6,199)
Closing net assets	90,157	65,724
Group's share in carrying value of net assets	45,079	32,862
Other comprehensive income / (loss) for the year	-	-
Group's share in total comprehensive income / (loss)	12,217	(3,099)
<b>Summarised statement of profit or loss and statement of comprehensive income</b>		
Revenue for the year - gross	37,500	-
Depreciation and amortisation	(4,085)	(855)
Finance cost	(741)	-
Provision for taxation	(5,004)	-
Profit / (loss) for the year	24,433	(6,199)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive income / (loss) for the year	24,433	(6,199)

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

**18.2** The board of directors of SIHL have in their meeting held on April 12, 2023, resolved to acquire 50% stakes of SIHT (Private) Limited (a wholly owned subsidiary of Shifa Foundation) from Shifa Foundation.

## **19 LONG TERM DEPOSITS**

This represents security deposits given to various institutions / persons and are refundable on termination of relevant services / arrangements. These are unsecured and considered good.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
20	STORES, SPARE PARTS AND LOOSE TOOLS	Note	(Rupees in '000')	
	Stores		256,038	209,391
	Spare parts		7,430	26,654
	Loose tools		7,887	699
			271,355	236,744
	Less: provision for slow moving items	20.1	19,657	26,555
			251,698	210,189
20.1	Balance at beginning of the year		26,555	23,868
	(Reversal) / charged during the year		(6,898)	2,687
	Balance at end of the year		19,657	26,555

## 21 STOCK IN TRADE

This represents medicines being carried at moving average cost.

			2023	2022
22	TRADE DEBTS	Note	(Rupees in '000')	
	Unsecured - considered good			
	Related party - Shifa Foundation	22.1	15,686	9,736
	Others		1,578,798	1,126,290
			1,594,484	1,136,026
	Less: allowance for expected credit losses (ECL)	42.1.3	228,362	171,257
			1,366,122	964,769

22.1 Maximum amount due from Shifa Foundation at the end of any month during the year was Rs. 15,686 thousand (2022: Rs. 20,694 thousand).

			2023	2022
23	LOANS AND ADVANCES		(Rupees in '000')	
	Secured - considered good			
	Executives		9,328	4,199
	Other employees		17,038	18,101
			26,366	22,300
	Unsecured - considered good			
	Consultants		4,792	3,661
	Suppliers/contractors		403,743	621,266
			408,535	624,927
			434,901	647,227

23.1 These advances are secured against employee terminal benefits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
24	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	(Rupees in '000')	
	Unsecured - considered good			
	Short term prepayments		41,318	37,046
	Other receivables	24.1	283,552	270,733
			324,870	307,779
	Less: allowance for expected credit losses against other receivables	24.2	58,377	58,377
			266,493	249,402

- 24.1** This includes Rs. 87,473 thousand (2022: Rs. 35,416 thousand) due from SIHT (Private) Limited and maximum amount due from SIHT (Private) Limited at the end of any month during the year was Rs. 113,524 thousand (2022: Rs. 72,695 thousand). Further, this also includes the amount of Rs. 28.4 million due from one of the subsidiary's director, paid to him against remuneration without the due process.

			2023	2022
		Note	(Rupees in '000')	
24.2	Allowance for expected credit losses against other receivables (unrelated parties)			
	Balance at beginning of the year		58,377	70,094
	Charge during the year		-	40,185
	Less: written off during the year		-	(51,902)
	Balance at end of the year		58,377	58,377
25	OTHER FINANCIAL ASSETS			
	Investment - at amortised cost	25.1	123,449	71,824
	Investment in Mutual Funds - at fair value through profit or loss	25.2	430,903	837,801
			554,352	909,625

- 25.1** This represents two T- Bills purchased on June 01, 2023 and June 15, 2023 to be matured on August 24, 2023 and September 07, 2023 at a yield of 21.97% and 21.98% per annum (2022 : T- Bill purchased on June 02, 2022 and matured on August 25, 2022 at a yield of 14.67% per annum) respectively. This also represents term deposit receipt (TDR) having face value of Rs. 3 million (2022: two term deposit receipts having face value of Rs. 3 million with three months maturity and Rs. 15 million with one year maturity) with three months maturity. Profit payable on monthly basis at the rate ranging from 12.25% to 19.00% per annum (2022: 5.50% to 12.25% per annum).

- 25.2** This represents investment in 3,020,724 units (2022: 5,059,495 units) and 1,233,844 units (2022: 3,223,094 units) of UBL Al-Ameen Islamic Cash Fund and HBL Cash Fund respectively. Fair value of the investment was determined using quoted repurchase price at year end.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
26	TAX REFUNDS DUE FROM THE GOVERNMENT (NET OF PROVISION)	Note	(Rupees in '000')	
	Balance at the beginning of the year		470,176	480,548
	Income tax paid / deducted at source during the year		603,123	465,990
			1,073,299	946,538
	Provision for taxation for the year	33	(752,363)	(476,362)
	Balance at the end of the year		320,936	470,176
27	CASH AND BANK BALANCES			
	Cash at bank in:			
	Current accounts:			
	Local currency		306,315	463,875
	Foreign currency		939,799	1,374,994
			1,246,114	1,838,869
	Saving accounts:			
	Local currency		1,043,594	620,678
	Foreign currency		286	204
		27.1	1,043,880	620,882
		27.2	2,289,994	2,459,751
	Cash in hand		32,672	8,749
			2,322,666	2,468,500

**27.1** Balance with saving account earned profit / markup at weighted average rate of 14.20% per annum (2022: 8.20% per annum).

**27.2** Balances with banks includes Rs. 124,607 thousand (2022: Rs. 118,472 thousand) in respect of security deposits (Note 12.3).

			2023	2022
28	NON - CURRENT ASSETS HELD FOR SALE	Note	(Rupees in '000')	
	Balance at beginning of the year		320,953	493,679
	Disposed off during the year	28.1	(54,511)	(172,726)
	Reclassified to investment property	28.2	(266,442)	-
	Balance at end of the year		-	320,953

**28.1** During the year the SIHL has sold five plots located at Shifa Cooperative Housing Society, Islamabad Expressway (2022: six plots located at Shifa Cooperative Housing Society, Islamabad Expressway and 48.5 kanals located at Motorway, Mouza Noon, Islamabad).

**28.2** Freehold land measuring 11 plots located at Shifa Cooperative Housing Society Islamabad Expressway and 52.6 Kanals located at Motorway, Mouza Noon, Islamabad have been reclassified to investment property (Note 17) as the SIHL wants to retain these land for capital appreciation. Immediately, before the transfer it was remeasured to fair value and revaluation surplus of Rs. 99,454 thousand was recognised in other comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

			2023	2022
29	REVENUE - NET	Note	(Rupees in '000')	
	Inpatients		11,803,983	9,836,737
	Outpatients		6,787,893	5,509,053
	Other services	29.1	1,350,848	1,012,517
			19,942,724	16,358,307
	Less: discount		156,745	128,070
	Less: sales tax		69,825	38,069
			226,570	166,139
			19,716,154	16,192,168

**29.1** This represents revenue from external pharmacy outlets, cafeteria sales, operating leases to related parties / other parties and corporate services to associate.

**29.2** The revenue - net is excluding physician share of Rs. 1,802,988 thousand (2022: Rs. 1,353,680 thousand).

		2023	2022
30	OTHER INCOME		(Rupees in '000')
	<b>Income from financial assets:</b>		
	Profit on bank deposits	44,550	16,579
	Dividend income from mutual fund - investments at fair value through profit or loss	88,631	67,940
	Un-realised gain on investments at fair value through profit or loss	19,384	1,446
	Interest income on treasury bills	11,112	18,993
		163,677	104,958
	<b>Income from other than financial assets:</b>		
	Gain on disposal of tangible assets	42,202	69,269
	Exchange gain on foreign currency translation	375,747	416,637
	Sale of scrap - net of sales tax	19,538	18,772
	Miscellaneous	46,465	30,692
		483,952	535,370
		647,629	640,328



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

31	OPERATING COSTS	Note	2023	2022
			(Rupees in '000')	
	Salaries, wages and benefits	31.1	6,659,774	5,787,049
	Medicines consumed		5,373,920	4,171,392
	Supplies consumed		2,025,240	1,720,046
	Utilities		1,074,495	835,180
	Depreciation / amortisation on tangible assets	15	974,152	877,782
	Repairs and maintenance		854,545	640,134
	Printing and stationery		220,222	133,611
	Cleaning and washing		190,685	137,585
	Fee, subscription and membership		109,489	82,213
	Advertising and sales promotion		85,238	66,512
	Communication		52,675	49,507
	Travelling and conveyance		41,123	21,853
	Legal and professional		40,923	18,077
	Rent		18,817	14,782
	Rates and taxes		20,323	15,177
	Vehicle and equipment rentals		-	12,447
	Insurance		24,232	18,998
	Amortisation on intangible assets	16	12,002	21,296
	Property, plant and equipment written off		8,222	2,234
	Auditors' remuneration	31.2	8,152	7,712
	(Reversal) / charged of provision for slow moving stores		(5,923)	2,687
	Loss on disposal of slow moving stores		3,866	-
	Project cost		-	217
	Donation	31.3	-	25,000
	Miscellaneous		113,670	86,326
			<b>17,905,843</b>	<b>14,747,818</b>

- 31.1** This includes charge for employee gratuity of Rs. 99,896 thousand (2022: Rs. 164,464 thousand), defined contribution plan (pension) Rs. 94,703 thousand (2022: Rs. 53,655 thousand), compensated absences of Rs. 72,408 thousand (2022: Rs. 67,049 thousand), and bonus of Rs. 134,864 thousand (2022: Rs. 125,814 thousand).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
<b>31.2 Auditors' remuneration</b>		
Annual audit fee	2,800	2,421
Half yearly review fee	1,545	1,404
Statutory certifications	2,400	2,826
Out of pocket expenses	268	-
	7,013	6,651
Sales tax	1,139	1,061
	8,152	7,712

## 31.3 Donation

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

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

The spouses of any directors of the Company have no interest in the donee.

		2023	2022
		(Rupees in '000')	
<b>32 FINANCE COSTS</b>	Note		
Markup on long term loans - secured		309,304	252,714
Interest on lease liabilities	11	63,972	52,635
Credit card payment collection and bank charges		61,127	41,896
		434,403	347,245
<b>33 PROVISION FOR TAXATION</b>			
Current			
- for the year		744,240	480,702
- prior year adjustment		8,123	(4,340)
	26	752,363	476,362
Deferred		69,181	16,185
		821,544	492,547

	2023	2022
	(Rupees in '000')	
<b>34 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation for the year attributable to equity holders of SIHL	1,168,732	1,141,310

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Numbers in '000')	
Weighted average number of ordinary shares in issue during the year	63,214	63,214

	2023	2022
	(Rupees)	
Earnings per share - basic and diluted	18.49	18.05

**34.1** There is no dilutive effect on the basic earnings per share of the Group.

## 35 CAPACITY UTILISATION

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

	2023	2022	2023	2022	2023	2022
	Available bed days		Occupied bed days		Occupancy ratio	
H-8 Hospital, Islamabad	180,611	184,269	114,424	108,277	63.35%	58.76%
Faisalabad Hospital	19,618	22,867	7,142	6,046	36.41%	26.44%

**35.1** Reported utilisation is a result of pattern of patient turnover under different specialties.

	2023	2022
36 UNAVAILED CREDIT FACILITIES	(Rupees in '000')	
Unavailed credit facilities at year end other than those disclosed in note 9 of financial statements are as under:		
- Letter of credit	100,000	60,348
- Ijarah financing	51,709	51,709
- Running musharkah	500,000	500,000
- Letter of guarantee	23,916	23,666
	675,625	635,723

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

37	NUMBER OF EMPLOYEES	2023	2022
	Group's number of employees	5,278	5,223
	Group's average number of employees	5,255	5,234
38	RELATED PARTIES TRANSACTIONS		
	<p>The related parties comprise of associate, directors, major shareholders, key management personnel, SIHL Employees' Gratuity Fund Trust and the entities over which directors are able to exercise influence.</p> <p>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.</p> <p>The amounts due from and due to these undertakings are shown under trade debts, loans and advances, other receivables and trade and other payables. Further, related party transactions are based on arm's length between the parties and details are given below:</p>		
	Note	2023 (Rupees in '000')	2022
<b>Shifa Foundation:</b>			
<b>Opening balance</b>			
Balance receivable - unsecured		9,736	17,139
<b>Transactions</b>			
Revenue from medical services earned by the SIHL		19,634	16,964
Expenses paid by and reimbursed to the SIHL		741	867
<b>Closing Balance</b>			
Balance receivable - unsecured		15,686	9,736
<b>Tameer-e-Millat Foundation:</b>			
<b>Opening balance</b>			
Balance payable - unsecured		11,660	13,073
<b>Transactions</b>			
Supplies provided to the SIHL		112,176	88,543
Other services provided to the SIHL	38.1	43,153	35,278
Rental services received / earned by the SIHL		6,649	5,842
<b>Closing Balance</b>			
Balance payable - unsecured		12,803	11,660

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in '000')	2022
<b>Shifa Tameer-e-Millat University:</b>			
<b>Opening balance</b>			
Balance payable - unsecured		6,458	5,041
<b>Transactions</b>			
Revenue from medical services earned by the SIHL		21,554	18,543
Revenue from rent earned by the SIHL		3,517	3,197
Other services provided to the SIHL	38.1	80,829	61,817
Expenses paid by and reimbursed to the SIHL		3,599	2,905
Donation paid by the SIHL		-	25,000
<b>Closing Balance</b>			
Balance payable - unsecured		12,009	6,458
<b>SIHT (Private) Limited:</b>			
<b>Opening balance</b>			
Balance receivable - unsecured		35,416	24,335
<b>Transactions</b>			
Revenue from medical services earned by the SIHL		412,250	325,112
Expenses paid by and reimbursed to the SIHL		5,816	5,905
Other services provided to the SIHL	38.1	25,016	23,206
<b>Closing Balance</b>			
Balance receivable - unsecured		87,473	35,416
<b>Shifa Cooperative Housing Society Limited:</b>			
<b>Opening balance</b>			
Balance receivable / (payable) - unsecured		-	-
<b>Transactions</b>			
Plot maintenance charges paid by the SIHL		1,434	5,573
<b>Closing balance</b>			
Balance receivable / (payable) - unsecured		-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

		2023	2022
	Note	(Rupees in '000')	
<b>Shifa Care (Private) Limited:</b>			
<b>Opening balance</b>			
Balance receivable / (payable) - unsecured		-	-
<b>Transactions</b>			
Corporate shared services provided by the SIHL		2,437	2,343
Software development services provided to the SIHL		-	39,375
<b>Closing balance</b>			
Balance receivable / (payable) - unsecured		-	-
<b>International Finance Corporation:</b>			
<b>Opening balance</b>			
Balance receivable / payable - unsecured		-	-
<b>Transactions</b>			
Dividend paid by the SIHL		11,379	11,379
<b>Closing balance</b>			
Balance receivable / payable - unsecured		-	-
<b>SIHL Employees' Gratuity Fund Trust:</b>			
<b>Opening balance</b>			
Balance payable - unsecured		193,453	251,594
<b>Transactions</b>			
Payments made by the SIHL during the year	38.2	141,271	241,218
Dividend paid by the SIHL		118	118
<b>Closing balance</b>			
Balance payable - unsecured		169,573	193,453
<b>Remuneration including benefits and perquisites of key management personnel</b>	38.3	<b>474,163</b>	<b>390,331</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 38.1** This represents services of nursing education / training, employees' children education and media services.
- 38.2** Transactions with the Fund are carried out based on the terms of employment of employees and according to actuarial advice.
- 38.3** This includes employee retirement benefits (pension / gratuity) amounting to Rs. 15,873 thousand (2022: Rs. 3,866 thousand).
- 38.4** Following are the related parties with whom the SIHL had entered into transactions or have arrangements / agreements in place.

Sr #	Name of related party (RP)	Basis of relationship	Percentage of	
			Company's shareholding in RP	RP's shareholding in the Company
1	Shifa Foundation	Common Directorship	N/A*	3.60%
2	Tameer-e-Millat Foundation	Common Directorship	N/A	12.57%
3	SIHL Employees' Gratuity Fund Trust	Benefit Plan	N/A	0.12%
4	Shifa Tameer-e-Millat University	Common Directorship	N/A	0.25%
5	Shifa CARE (Private) Limited	Associate & Common Directorship	50%	Nil
6	SIHT (Private) Limited	Common Directorship	N/A	Nil
7	Shifa Cooperative Housing Society Limited	Common Directorship	N/A	Nil
8	International Finance Corporation (IFC)	Associate	Nil	12.00%

\*N/A stands for not applicable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000')							
Managerial remuneration	56,976	66,036	48,976	38,272	12,396	10,990	375,934	295,878
Annual bonus	2,365	1,768	1,430	1,192	237	237	10,118	8,336
Pension / gratuity	305	-	1,364	-	-	-	17,573	-
Medical insurance	153	92	342	88	519	358	4,460	2,235
Leave encashment	-	-	-	-	-	-	8,846	7,422
	59,799	67,896	52,112	39,552	13,152	11,585	416,931	313,871
Number of persons	2	2	2	2	10	8	54	44

**39.1** In addition to above, the chief executive is provided with a SIHL maintained car, while other director and twenty five executives availed car facility.

**39.2** Managerial remuneration includes Rs. 5,445 thousand (2022: Rs. 4,305 thousand) paid to directors in respect of meeting attending fee.

**39.3** Travelling expenses of Rs. 8,307 thousand (2022: Rs. 3,315 thousand ) for official purposes are reimbursed by the SIHL to non executive directors.

## 40 CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in '000')	
Investment - at amortised cost	25	123,449	71,824
Cash and bank balances	27	2,322,666	2,468,500
		2,446,115	2,540,324

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

41	RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES							
	Liabilities			Equity				Total
	Long term financing	Government grant	Lease liabilities	Share capital	Share premium	Non-controlling interest	Un-appropriated profits	
2023	(Rupees in '000')							
Balance at the beginning of the year	2,540,125	67,511	608,881	632,144	2,738,888	1,670,759	4,898,668	13,156,976
Changes from financing cash flows								
Proceeds	470,534	-	-	-	-	-	-	470,534
Repayments	(1,353,678)	-	-	-	-	-	-	(1,353,678)
Repayments of lease liabilities	-	-	(188,129)	-	-	-	-	(188,129)
NCL recognised during the year	-	-	-	-	-	524,250	-	524,250
Dividend paid	-	-	-	-	-	-	(98,645)	(98,645)
Grant received	-	15,918	-	-	-	-	-	15,918
Total changes from financing cash flows	(883,144)	15,918	(188,129)	-	-	524,250	(98,645)	(629,750)
Other changes								
Liability related	34,839	-	46,234	-	-	-	-	81,073
Amortisation of government grant	-	(34,839)	-	-	-	-	-	(34,839)
Equity related								
Total comprehensive changes	-	-	-	-	-	306,653	1,152,791	1,459,444
Other changes	-	-	-	-	-	-	33,647	33,647
Changes in unclaimed dividend	-	-	-	-	-	-	3,823	3,823
Acquisition of shareholding by SIHL	-	-	-	-	-	(1,274)	1,274	-
Total of equity related changes	-	(34,839)	-	-	-	305,379	1,191,536	1,496,914
Balance at the end of the year	1,691,820	48,590	466,986	632,144	2,738,888	2,500,388	5,991,558	14,070,374

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Liabilities			Equity				Total
	Long term financing	Government grant	Lease liabilities	Share capital	Share premium	Non-controlling Interest	Un-appropriated profits	
2022	(Rupees in '000')							
Balance at the beginning of the year	3,696,503	69,627	384,043	619,749	2,751,283	1,119,806	3,832,409	12,473,420
Changes from financing cash flows								
Proceeds	212,009	-	-	-	-	-	-	212,009
Repayments	(1,417,563)	-	-	-	-	-	-	(1,417,563)
Repayments of lease liability	-	-	(172,702)	-	-	-	-	(172,702)
NCI recognised during the year	-	-	-	-	-	520,240	-	520,240
Dividend paid	-	-	-	-	-	-	(89,202)	(89,202)
Grant received	-	47,060	-	-	-	-	-	47,060
Total changes from financing cash flows	(1,205,554)	47,060	(172,702)	-	-	520,240	(89,202)	(900,158)
Other changes								
Liability related	49,176	-	397,540	-	-	-	-	446,716
Amortisation of government grant	-	(49,176)	-	-	-	-	-	(49,176)
Equity related								
Total comprehensive changes	-	-	-	-	-	30,713	1,125,959	1,156,672
Other changes	-	-	-	12,395	(12,395)	-	35,122	35,122
Changes in unclaimed dividend	-	-	-	-	-	-	(5,620)	(5,620)
Total of equity related changes	-	(49,176)	-	12,395	(12,395)	30,713	1,155,461	1,186,174
Balance at the end of the year	2,540,125	67,511	608,881	632,144	2,738,888	1,670,759	4,898,668	13,156,976



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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## 42 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

### **Risk management framework**

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

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

### **42.1 Credit risk**

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

#### **42.1.1 Exposure to credit risk**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in '000')	
Long term deposits	104,330	89,093
Trade debts	1,366,122	964,769
Other receivables	225,175	212,356
Markup accrued	2,077	2,129
Other financial assets	554,352	909,625
Bank balances	2,289,994	2,459,751
	4,542,050	4,637,723

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

## 42.1.2 Counterparties

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

### Trade debts

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

### Bank balances and investments

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

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

	2023	2022
	(Rupees in '000')	
Government companies	788,526	606,483
Private companies	525,047	277,452
Individuals	265,225	242,355
Related parties	15,686	9,736
	1,594,484	1,136,026

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 42.1.3 Impairment losses

The ageing of trade debts at the reporting date was:

	2023		2022	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	(Rupees in '000')			
Not past due	342,965	2,613	428,765	2,029
1 - 2 months	475,313	13,186	298,404	14,109
3 - 4 months	210,188	13,229	94,405	6,543
5 - 7 months	183,465	22,988	88,393	12,486
8 - 12 months	138,388	39,325	68,831	34,726
Above 12 months	244,165	137,021	157,228	101,364
	1,594,484	228,362	1,136,026	171,257

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

	Note	2023 (Rupees in '000')	2022
Balance at beginning of the year		171,257	195,881
Expected credit losses		57,105	72,433
Less: bad debts written off		-	97,057
Balance at end of the year	22	228,362	171,257

**42.1.4** The Group believes that no impairment allowance is necessary in respect of markup accrued, deposits, other receivables, bank balances and investments as the recovery of such amounts is possible.

The ageing of Shifa Foundation (SF) and SIHT (Private) Limited at the reporting date was:

		2023		2022	
		Gross debts / Other receivables	Allowance for ECL	Gross debts / Other receivables	Allowance for ECL
	Note	(Rupees in '000')			
<b>Shifa Foundation</b>					
1 - 6 months	22	15,686	-	9,736	-
<b>SIHT (Private) Limited</b>					
1 - 3 months	24.1	87,473	-	35,416	-

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

## 42.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose, the Group has credit facilities as mentioned in notes 9 and 36 to the financial statements. Further, liquidity position of the Group is monitored by the Board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
<b>2023</b>	<b>(Rupees in '000')</b>					
Long term financing- secured	1,740,409	443,595	428,203	755,874	112,737	-
Deferred liabilities	24,570	-	-	24,570	-	-
Trade and other payables	4,421,544	4,421,544	-	-	-	-
Unclaimed dividend	36,955	36,955	-	-	-	-
Mark up accrued	70,874	70,874	-	-	-	-
	6,294,352	4,972,968	428,203	780,444	112,737	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
2022	(Rupees in '000')					
Long term financing- secured	2,607,637	770,466	564,070	950,306	322,795	-
Trade and other payables	3,207,198	3,207,198	-	-	-	-
Unclaimed dividend	40,778	40,778	-	-	-	-
Mark up accrued	35,658	35,658	-	-	-	-
	5,891,271	4,054,100	564,070	950,306	322,795	-

Maturity analysis of lease liabilities is given in note 11.

## 42.3 Market risk

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

### 42.3.1 Foreign currency risk

#### Exposure to foreign currency risk

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

2023				2022		
(Amount in '000')						
	Euro	USD	AED	Euro	USD	AED
Creditors	-	-	(9)	-	-	(13)
Bank balances	-	3,366	301	-	6,736	365
Letters of credit	-	-	-	(13)	(450)	-
	-	3,366	292	(13)	6,286	352
(Rupees in '000')						
Creditors	-	-	(696)	-	-	(718)
Bank balances	-	963,233	23,443	-	1,375,198	20,286
Letters of credit	-	-	-	(2,675)	(92,164)	-
	-	963,233	22,747	(2,675)	1,283,034	19,568



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

Following are significant exchange rates applied during the year:

	Average rate		Closing rate	
	2023	2022	2023	2022
	(Rupees)			
USD 1 - Buying	247.69	177.80	286.18	204.17
USD 1 - Selling	248.11	178.21	286.60	204.59
AED 1 - Buying	67.49	48.44	77.92	55.62
AED 1 - Selling	67.59	48.55	78.02	55.73
Euro 1 - Buying	260.15	199.96	312.85	213.59
Euro 1 - Selling	260.58	200.41	313.30	214.03

## Foreign currency sensitivity analysis

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

	Change in Foreign Exchange Rates	Effect on Profit	Effect on Equity
	%	(Rupees in '000')	
<b>2023</b>			
Foreign currencies	+10%	60,145	60,145
Foreign currencies	-10%	(60,145)	(60,145)
<b>2022</b>			
Foreign currencies	+10%	87,095	87,095
Foreign currencies	-10%	(87,095)	(87,095)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 42.3.2 Markup rate risk

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

	Note	2023 (Rupees in '000')	2022
<b>Financial assets</b>			
Investment - at amortised cost	25.1	123,449	71,824
Bank balances	27	1,043,880	620,882
		1,167,329	692,706
<b>Financial liabilities</b>			
Financing - secured	9	(1,740,409)	(2,607,637)
		(573,080)	(1,914,931)

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

### Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended June 30, 2023 would decrease / increase by Rs. 1,615 thousand (2022: decrease / increase by Rs. 8,092 thousand). This is mainly attributable to the Group's exposure to markup rates on its variable rate borrowings.

### Price risk

The Group's price risk arises from investments in units as disclosed in note 25.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.

### Price risk sensitivity analysis

A change of Rs. 1 in the value of investments at fair value through profit or loss would have increased or decreased profit or loss by Rs. 5,436 thousand (2022: Rs.11,112 thousand).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 42.4 Financial instrument by category

	Amortised cost	Fair value through profit or loss	Total
2023	(Rupees in '000')		
<b>Financial assets</b>			
<b>Maturity upto one year</b>			
Trade debts	1,366,122	-	1,366,122
Other receivables	225,175	-	225,175
Markup accrued	2,077	-	2,077
Other financial assets	123,449	430,903	554,352
Cash and bank balances	2,322,666	-	2,322,666
<b>Maturity after one year</b>			
Long term deposits	104,330	-	104,330
	4,143,819	430,903	4,574,722
<b>Financial liabilities</b>			
<b>Maturity upto one year</b>			
Trade and other payables	4,421,544	-	4,421,544
Unclaimed dividend	36,955	-	36,955
Markup accrued	70,874	-	70,874
Current portion of long term financing - secured	871,798	-	871,798
Current portion of lease liabilities	169,979	-	169,979
<b>Maturity after one year</b>			
Long term financing - secured	868,611	-	868,611
Deferred liabilities	24,570	-	24,570
Lease liabilities	297,008	-	297,008
	6,761,339	-	6,761,339

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Amortised cost	Fair value through profit or loss	Total
2022	(Rupees in '000')		
<b>Financial assets</b>			
<b>Maturity upto one year</b>			
Trade debts	964,769	-	964,769
Other receivables	212,356	-	212,356
Markup accrued	2,129	-	2,129
Other financial assets	71,824	837,801	909,625
Cash and bank balances	2,468,500	-	2,468,500
<b>Maturity after one year</b>			
Long term deposits	89,093	-	89,093
	3,808,671	837,801	4,646,472
<b>Financial liabilities</b>			
<b>Maturity upto one year</b>			
Trade and other payables	3,207,198	-	3,207,198
Unclaimed dividend	40,778	-	40,778
Markup accrued	35,658	-	35,658
Current portion of long term financing - secured	1,334,536	-	1,334,536
Current portion of lease liabilities	173,173	-	173,173
<b>Maturity after one year</b>			
Long term financing - secured	1,273,101	-	1,273,101
Lease liabilities	435,708	-	435,708
	6,500,152	-	6,500,152

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 42.5 Fair value

### Fair value versus carrying amounts

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

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
(Rupees in '000')				
<b>Assets carried at amortised cost</b>				
Long term deposits	104,330	104,330	89,093	89,093
Trade debts	1,366,122	1,366,122	964,769	964,769
Other receivables	225,175	225,175	212,356	212,356
Markup accrued	2,077	2,077	2,129	2,129
Other financial assets	123,449	123,449	71,824	71,824
Cash and bank balances	2,322,666	2,322,666	2,468,500	2,468,500
	<b>4,143,819</b>	<b>4,143,819</b>	<b>3,808,671</b>	<b>3,808,671</b>
<b>Assets carried at fair value</b>				
Other financial assets	430,903	430,903	837,801	837,801
<b>Liabilities carried at amortised cost</b>				
Long term financing - secured	868,611	868,611	1,273,101	1,273,101
Deferred Liabilities	24,570	24,570	-	-
Lease liabilities	297,008	297,008	435,708	435,708
Trade and other payables	4,421,544	4,421,544	3,207,198	3,207,198
Unclaimed dividend	36,955	36,955	40,778	40,778
Markup accrued	70,874	70,874	35,658	35,658
Current portion of long term financing - secured	871,798	871,798	1,334,536	1,334,536
Current portion of lease liabilities	169,979	169,979	173,173	173,173
	<b>6,761,339</b>	<b>6,761,339</b>	<b>6,500,152</b>	<b>6,500,152</b>

The basis for determining fair value is as follows:

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 43 FAIR VALUE HIERARCHY

### Other financial assets

Fair value of investment in mutual funds (Note 25.2) has been determined using quoted repurchase price at reporting date and categorised under level 1 of fair value hierarchy.

### Fair value of land

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

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

## 44 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

		2023	2022
Description	Explanation	(Rupees in '000')	
Bank balances	Placed under interest	273,136	211,700
	Placed under sharia permissible arrangement	770,744	409,182
		1,043,880	620,882
Return on bank deposit for the year	Placed under interest	7,750	6,121
	Placed under sharia permissible arrangement	34,413	10,230
		42,163	16,351
Interest and dividend income on investment for the year	Placed under interest	11,553	19,221
	Placed under sharia permissible arrangement	109,936	69,386
		121,489	88,607
Segment revenue	Disclosed in note 28		
Exchange gain earned	Disclosed in note 29		
Loans obtained as per Islamic mode		1,601,160	2,172,438
Mark up paid on Islamic mode of financing		305,023	275,864
Interest paid on any conventional loan		1,896	5,392

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

## Relationship with sharia compliant banks

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

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

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## 45 OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of single reportable segment. All revenue of the Group is earned in Pakistan. All non-current assets of the Group at June 30, 2023 are located in Pakistan. There is no customer with more than 10% of total revenue of the Group for the year.

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

The board of directors of SIHL in its meeting held on September 30, 2023 has proposed a final cash dividend for the year ended June 30, 2023 @ Rs. 1.5 per share, amounting to Rs. 94,822 thousand for approval of the members in the Annual General Meeting to be held on October 27, 2023. The consolidated financial statements for the year ended June 30, 2023 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

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## 47 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation. However, no major reclassification has been made during the year.

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## 48 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the board of directors of the SIHL on September 30, 2023.

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## 49 GENERAL

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER



# SHAREHOLDERS' INFORMATION

As at June 30, 2023

# PATTERN OF SHAREHOLDING

As at June 30, 2023

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
269	1	100	7,936
228	101	500	55,688
1,126	501	1,000	599,031
434	1,001	5,000	735,368
59	5,001	10,000	399,746
69	10,001	15,000	770,435
25	15,001	20,000	428,014
26	20,001	25,000	558,867
16	25,001	30,000	430,559
9	30,001	35,000	291,256
3	35,001	40,000	107,625
10	40,001	45,000	414,378
11	45,001	50,000	522,019
18	50,001	55,000	938,888
2	55,001	60,000	115,726
5	60,001	65,000	308,835
2	70,001	75,000	142,820
3	75,001	80,000	234,102
4	80,001	85,000	324,224
3	85,001	90,000	267,516
5	90,001	95,000	459,371
5	95,001	100,000	487,105
10	100,001	105,000	1,020,011
2	105,001	110,000	215,856
4	110,001	115,000	440,500
3	120,001	125,000	370,548
4	125,001	130,000	512,099
2	130,001	135,000	268,810
4	135,001	140,000	555,995
1	140,001	145,000	141,576
3	150,001	155,000	458,264
3	155,001	160,000	471,334
3	160,001	165,000	489,232
2	170,001	175,000	348,706
1	195,001	200,000	198,000
1	200,001	205,000	204,000
1	205,001	210,000	209,023
1	210,001	215,000	211,777
1	215,001	220,000	217,260

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
1	245,001	250,000	248,716
2	255,001	260,000	516,496
2	270,001	275,000	547,584
1	280,001	285,000	283,925
1	285,001	290,000	285,350
1	290,001	295,000	291,144
1	295,001	300,000	296,500
3	305,001	310,000	922,542
2	310,001	315,000	622,977
1	330,001	335,000	334,098
1	355,001	360,000	358,000
1	360,001	365,000	361,457
1	365,001	370,000	367,000
1	380,001	385,000	383,743
1	395,001	400,000	400,000
1	410,001	415,000	410,907
1	420,001	425,000	423,610
1	425,001	430,000	425,340
1	450,001	455,000	451,211
2	465,001	470,000	934,226
1	540,001	545,000	543,502
1	595,001	600,000	599,993
1	600,001	605,000	603,673
1	635,001	640,000	635,004
1	675,001	680,000	676,200
1	940,001	945,000	941,080
1	1,130,001	1,135,000	1,133,134
1	1,420,001	1,425,000	1,423,092
1	1,480,001	1,485,000	1,480,781
1	1,490,001	1,495,000	1,494,649
1	1,610,001	1,615,000	1,613,700
1	1,810,001	1,815,000	1,810,569
1	1,920,001	1,925,000	1,922,909
1	2,355,001	2,360,000	2,355,253
1	3,995,001	4,000,000	4,000,000
1	5,210,001	5,215,000	5,212,633
1	5,385,001	5,390,000	5,385,160
1	7,585,001	7,590,000	7,585,725
2,422			63,214,383



# CATEGORIES OF SHAREHOLDING

As at June 30, 2023

Categories of shareholders	Number of shareholders	Number of shares held	Percentage
INDIVIDUALS	2,346	34,328,878	54.31
FINANCIAL INSTITUTIONS	3	4,132,608	6.54
JOINT STOCK COMPANIES	15	223,868	0.35
MUTUAL FUND	17	3,230,169	5.11
OTHERS	38	19,434,916	30.74
INSURANCE COMPANIES	3	1,863,944	2.95
<b>Total</b>	<b>2,422</b>	<b>63,214,383</b>	<b>100.00</b>

# DISCLOSURE IN CONNECTION WITH THE PATTERN OF SHAREHOLDING AS REQUIRED BY THE CODE OF CORPORATE GOVERNANCE

As at June 30, 2023

Categories of shareholders	Number of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children *	12	6,021,750	9.526
Associated Companies, Undertakings and related parties **	5	18,013,848	28.496
Banks, Development Financial Institutions, Non Banking Financial Institutions	3	4,132,608	6.537
Shareholders holding 10 % or more voting interest ***	2	15,530,138	24.567
Joint Stock Companies	15	223,868	0.354
Executives	0	-	0.000

## \* No. of Shares held by Directors, CEO and their spouses

Dr. Habib-Ur-Rahman	Chairman	465,720	0.737
Dr. Zeeshan Bin Ishtiaque	CEO	41,820	0.066
Dr. Manzoor H. Qazi	Director	1,494,649	2.364
Mr. Muhammad Zahid	Director	820,375	1.298
Mr. Qasim Farooq Ahmad	Vice Chairman	2,094,494	3.313
Dr. Samea Kauser Ahmad	Director	1,051,205	1.663
Syed Ilyas Ahmed	Independent Director	11,562	0.018
Prof. Dr. Shoab Ahmed Khan	Director	11,562	0.018
Dr. Mohammad Naseem Ansari	Independent Director	16,983	0.027
Mr. Javed K. Siddiqui	Independent Director	1	0.000
Mr. Jean-Christophe Maurice Charles Renondin	Director	-	0.000
Mrs. Shahida Rahman	W/o Dr. Habib-Ur-Rahman	13,379	0.021

## \*\* Shares held by related parties

Tameer-e-Millat Foundation	7,944,413	12.57
International Finance Corporation	7,585,725	12.00
Shifa Foundation	2,245,049	3.55
Shifa Tameer-e-Millat University	160,200	0.25
SIHL Employees' Gratuity Fund	78,461	0.12

## Shareholders with 10 % or more voting interest

Tameer-e-Millat Foundation ***	7,944,413	12.57
International Finance Corporation ***	7,585,725	12.00

# NOTES

[illegible]

# PROXY FORM

## 37th Annual General Meeting

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member of Shifa International Hospitals Ltd. Folio No./CDCA/c No. \_\_\_\_\_  
No. of Shares \_\_\_\_\_ hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ Folio No./CDC A/c No. \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_ Folio  
No./CDC A/c No. \_\_\_\_\_ who is a member of the Company as my/  
our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 37th  
Annual General Meeting of the Company to be held at 1100 hours on 27 October, 2023, and  
at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signed by the said \_\_\_\_\_

Revenue  
Stamp

(Signature must agree with the  
**SPECIMEN** signature registered with  
the Company)

### Witnesses:

1 Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

CNIC/Passport No. \_\_\_\_\_

2 Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

CNIC/Passport No. \_\_\_\_\_

### Important:

1. This form of Proxy, duly completed, signed and stamped must be deposited at the Company's Registered Office, Sector H-8/4 Islamabad, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. CDC account holder, sub account holder/shareholder may appoint proxy and the proxy must produce attested copy of his/her CNIC or original passport at the time of attending the meeting.





# پراکسی فارم

37 واں سالانہ اجلاس عام

شفا انٹرنیشنل ہسپتال لمیٹڈ

میں / ہم ..... ساکن ..... شیئر ہولڈر شفا انٹرنیشنل ہسپتال لمیٹڈ فوئیو نمبر / سی ڈی سی  
اکاؤنٹ نمبر ..... شیئر زکاشمار ..... بذریعہ ہذا تقرر کرتا ہوں .....  
ساکن ..... فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر ..... یا اس کی عدم دستیابی پر .....  
ساکن ..... فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر ..... جو کہ میری / ہماری غیر موجودگی میں میرے / ہمارے  
پراکسی (نمائندے) کے طور پر کمپنی کے 37 ویں سالانہ اجلاس عام میں جو 27 اکتوبر 2023 بروز جمعہ دن 11:00 بجے یا اس کے اتوا  
کی صورت میں منعقد ہوگا میں میری / ہماری جگہ شرکت کرے گا اور ووٹ استعمال کرے گا۔

میں بطور گواہ اس ..... دن ..... 2023

دستخط مذکورہ بالا .....

رپو نیو مہر

(دستخط کمپنی کے پاس موجود  
نمونہ کے دستخط کے مطابق ہونا چاہئے)

گواہان:

..... 1- دستخط	..... 2- دستخط
..... نام	..... نام
..... پتہ	..... پتہ
..... قومی شناختی کارڈ / پاسپورٹ نمبر	..... قومی شناختی کارڈ / پاسپورٹ نمبر

خصوصی ہدایات :

- 1- یہ پراکسی فارم باقاعدہ طور پر مکمل کر کے، دستخط، گواہان اور مہر کے بعد اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ دفتر واقع سیکٹر 8/4-H، اسلام آباد پہنچ جانا چاہئے۔
- 2- اگر ایک ممبر ایک سے زائد پراکسی یا پراکسی کے فارم کمپنی کے پاس جمع کرواتا ہے تو ایسے تمام پراکسی کے فارم کو غیر قانونی تصور کیا جائے گا۔
- 3- سی ڈی سی اکاؤنٹ ہولڈر، سب اکاؤنٹ ہولڈر / شیئر ہولڈر اپنی پراکسی مقرر کرنے کا مجاز ہے۔ اس پراکسی کو اجلاس میں شرکت کے وقت اپنے کمپیوٹر / قومی شناختی کارڈ کی کاپی یا اصلی پاسپورٹ دکھانا لازمی ہوگا۔







**Shifa  
International  
Hospitals Ltd.**

**Shifa International Hospitals Limited**

Pitras Bukhari Road,  
Sector H-8/4, Islamabad - Pakistan  
Email: [info@shifa.com.pk](mailto:info@shifa.com.pk)  
Website: [www.shifa.com.pk](http://www.shifa.com.pk)