



Shifa
International
Hospitals Ltd.



**CONDENSED INTERIM
FINANCIAL STATEMENTS**
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2024

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COMPANY INFORMATION

Board of Directors

Dr. Habib Ur Rahman	Chairman
Dr. Zeeshan Bin Ishtiaque	CEO
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
Dr. Ioan Philippe Cleaton-Jones	Director

Audit Committee

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

Human Resource & Remuneration Committee

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

Corporate Governance & Nominations Committee

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

Risk Management Committee

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

Chief 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
Bank Alfalah Limited
United Bank Limited
Habib Bank Limited
Faysal Bank Limited
MCB Bank Limited
First Habib Modaraba
Dubai Islamic Bank Limited
Bank Al Habib Limited

DIRECTORS' REVIEW

IN THE NAME OF ALLAH, THE MOST BENEVOLENT, THE MOST GRACIOUS

Esteemed Shareholders,

The Board of Directors is delighted to present the Condensed Interim Unconsolidated and Consolidated Financial Statements of the Company, covering the nine-month period concluded on March 31, 2024. The key Financial Highlights are given below:

Operating Results	(PKR in million) Nine months period ended March 31,					
	2024	2023	Change %	2024	2023	Change %
	UNCONSOLIDATED			CONSOLIDATED		
Revenue - net	17,803	14,715	21	17,793	14,697	21
Other income	152	540	(72)	182	580	(69)
Operating profit	2,095	1,964	7	2,068	1,987	4
Profit after tax	1,066	1,153	(7)	1,026	1,161	(12)
Earnings per share Rs.	16.87	18.24	(7)	16.62	18.44	(10)

During the first nine months of the year, there was a 21% increase in net revenue compared to the corresponding period last year. Correspondingly, operating costs increased from Rs. 13,250 million to Rs. 15,805 million. Further, decrease in other income is due to strengthening rupee USD parity compared to last year's corresponding period. Furthermore, significant increase in provision for taxation is mainly due to increase in super tax rate and resultantly, earnings per share of the Company for the nine months' period stood at Rs. 16.87 as against Rs. 18.24 for same period last year.

RETURN TO SHAREHOLDERS

The Board of Directors of the Company have declared first interim cash dividend of 15% at a rate of Rs.1.5 per share.

FUTURE OUTLOOK

The Board of Directors remains resolute and optimistic in navigating the Company's profitability despite the challenging macroeconomic landscape and escalating inflation. Among other options being deliberated in this regard, the Company is actively working on the proposition of accelerated and phased implementation of Shifa National Hospital Faisalabad. We reaffirm our commitment to the crux of our core values i.e. patient-centric care and continuous improvement.

ACKNOWLEDGEMENT

We extend our sincere appreciation to the leadership, employees, consultants, and strategic partners for their unwavering dedication and contributions. We also thank all stakeholders, including shareholders, financial institutions, suppliers, patients, and regulatory bodies, for their ongoing support and collaboration.

On behalf of the Board of Directors,



DR. ZEESHAN BIN ISHTIAQUE

Chief Executive Officer

Islamabad
April 25, 2024



DR. MANZOOR H. QAZI

Director

ڈائریکٹرز کا جائزہ

شروع کرتا ہوں اللہ کے نام سے جو بڑا مہربان نہایت رحم والا ہے۔

معزز حصص داران،

بورڈ آف ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی نو ماہ کی مدت کا احاطہ کرتے ہوئے کمپنی کے انضمام کردہ اور انفرادی عبوری مالیاتی نتائج کا خلاصہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اہم مالیاتی جھلکیاں ذیل میں دی گئی ہیں:

پاکستانی روپے بلین میں (31 مارچ کو ختم ہونے والے نو ماہ کی مدت)						آپریٹنگ نتائج
2023		2024		تبدیلی فیصد		
انضمام کردہ		انفرادی		تبدیلی فیصد		
21	14,697	17,793	21	14,715	17,803	خالص آمدنی
(69)	580	182	(72)	540	152	دیگر آمدنی
4	1,987	2,068	7	1,964	2,095	آپریٹنگ منافع
(12)	1,161	1,026	(7)	1,153	1,066	منافع بعد از ٹیکس
(10)	18.44	16.62	(7)	18.24	16.87	فی شیئر آمدنی (روپے)

زیر جائزہ سال کے پہلے نو مہینوں کے دوران، گزشتہ سال کی اسی مدت کے مقابلے میں خالص آمدنی میں 21 فیصد اضافہ ہوا۔ اس کے مطابق، آپریٹنگ لاگت 13,250 بلین روپے سے بڑھ کر 15,805 بلین روپے ہو گئی ہے۔ مزید برآں، دیگر آمدنی میں کمی گزشتہ سال کی اسی مدت کے مقابلے میں روپے اور ڈالر کی برابری مضبوط ہونے کی وجہ سے ہے۔ مزید برآں، ٹیکس کی فراہمی میں نمایاں اضافہ بنیادی طور پر سہ ٹیکس کی شرح میں اضافے کی وجہ سے ہے اور اس کے نتیجے میں نو ماہ کی مدت کے لیے کمپنی کی فی حصص آمدنی گزشتہ سال کی اسی مدت کی 18.24 روپے کے مقابلے میں 16.87 روپے رہی۔

حصص داران کو منافع کی واپسی

کمپنی کے بورڈ آف ڈائریکٹرز نے پہلے عبوری نقد منافع کا اعلان 15 فیصد کی شرح سے 1.5 روپے فی شیئر کیا ہے۔

مستقبل کا منظر نامہ

بورڈ آف ڈائریکٹرز چیکنگ میکرو اکنامک منظر نامے اور بڑھتی ہوئی افراط زر کے باوجود کمپنی کے منافع کو بڑھانے کے لیے پُر عزم اور پُر امید ہیں۔ اس سلسلے میں غور و خوض کیے جانے والے دیگر آپشنز کے علاوہ، کمپنی شفا ہنیشل ہسپتال فیصل آباد کے عملدرآمد کو تیز اور مرحلہ وار کرنے کی تجویز پر مکمل طور پر کام کر رہی ہے۔ ہم اپنی بنیادی اقدار یعنی مریض پرہیز کو دیکھ بھال اور سلسلے بہتری کے لیے اپنی وابستگی کا اعادہ کرتے ہیں۔

اعتراف

ہم قیادت، ملازمین، مشیروں، اور اسٹریٹجک شراکت داروں کو ان کی غیر متزلزل لگن اور شراکت کے لیے مخلصانہ تعریف کرتے ہیں۔ ہم تمام اسٹیک ہولڈرز بشمول شیئر ہولڈرز، مالیاتی اداروں، سپلائرز، مریضوں اور ریگولیٹری اداروں کا ان کی جاری حمایت اور تعاون کے لیے شکر یہ ادا کرتے ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

Maryam

ڈاکٹر منظور علی قاضی

ڈائریکٹر

Aslam

ڈاکٹر ذیشان بن اشتیاق

چیف ایگزیکٹو آفیسر

اسلام آباد

25 اپریل 2024



CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2024

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Authorised share capital			
100,000,000 (June 2023: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital		632,144	632,144
Capital reserves			
Share premium		2,738,888	2,738,888
Surplus on revaluation of property, plant and equipment		923,703	936,615
Revenue reserves			
Unappropriated profits		7,496,434	6,511,963
		11,791,169	10,819,610
NON - CURRENT LIABILITIES			
Long term financing - secured	5	685,869	868,611
Deferred liabilities		419,355	423,143
Lease liabilities		569,224	459,047
		1,674,448	1,750,801
CURRENT LIABILITIES			
Trade and other payables		4,245,150	4,644,160
Unclaimed dividend		40,195	36,955
Unpaid dividend		11,379	-
Markup accrued		34,665	70,874
Current portion of long term financing - secured	5	594,220	871,798
Current portion of lease liabilities		268,451	268,595
		5,194,060	5,892,382
		18,659,677	18,462,793
CONTINGENCIES AND COMMITMENTS			
	6		

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


CHIEF EXECUTIVE

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	7	6,993,780	7,017,740
Intangible assets		41,044	41,834
Investment property - at cost		720,292	748,450
Long term investments - at cost	8	5,040,937	4,714,217
Long term deposits		97,372	91,616
		12,893,425	12,613,857
CURRENT ASSETS			
Stores, spare parts and loose tools		244,197	251,698
Stock in trade		1,145,529	982,498
Trade debts	9	1,969,638	1,366,122
Loans and advances		183,552	145,230
Deposits, prepayments and other receivables		241,080	289,284
Markup accrued		2,981	2,077
Other financial assets		198,328	307,919
Tax refunds due from the government (net of provision)		111,721	287,675
Cash and bank balances		1,669,226	2,216,433
		5,766,252	5,848,936
		18,659,677	18,462,793


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended		Three months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in '000')					
Revenue - net	10	17,803,104	14,714,498	5,783,320	5,181,186
Other income		152,428	539,654	37,612	259,684
Operating costs		(15,804,776)	(13,250,407)	(5,145,259)	(4,596,806)
Finance cost		(338,497)	(342,227)	(106,735)	(113,686)
Expected credit losses		(55,589)	(39,554)	(18,001)	(15,161)
Profit before taxation		1,756,670	1,621,964	550,937	715,217
Provision for taxation		(690,289)	(469,096)	(229,199)	(183,839)
Profit after taxation		1,066,381	1,152,868	321,738	531,378
Earnings per share - basic and diluted (Rupees)	11	16.87	18.24	5.09	8.41

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000')			
Profit after taxation	1,066,381	1,152,868	321,738	531,378
Other comprehensive income:				
Items that will not be subsequently reclassified in statement of profit or loss:				
Surplus on revaluation of land	-	99,454	-	-
Total comprehensive income for the period	1,066,381	1,252,322	321,738	531,378

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profits	Total
	(Rupees in '000')				
Balance as at July 01, 2022 (Audited)	632,144	2,738,888	867,283	5,411,656	9,649,971
Total comprehensive income for the period:					
Profit after taxation	-	-	-	1,152,868	1,152,868
Other comprehensive income - net of tax	-	-	99,454	-	99,454
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	-	-	(7,995)	7,995	-
Distribution to owners:					
Final dividend 2022 @ Rs. 1.5 per share	-	-	-	(94,822)	(94,822)
Balance as at March 31, 2023 (Un-audited)	632,144	2,738,888	939,279	6,497,160	10,807,471
Balance as at July 01, 2023 (Audited)	632,144	2,738,888	936,615	6,511,963	10,819,610
Total comprehensive income for the period:					
Profit after taxation	-	-	-	1,066,381	1,066,381
Other comprehensive income - net of tax	-	-	-	-	-
Realisation of revaluation surplus on disposal of assets	-	-	(4,284)	4,284	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(8,628)	8,628	-
Distribution to owners:					
Final dividend 2023 @ Rs. 1.5 per share	-	-	-	(94,822)	(94,822)
Balance as at March 31, 2024 (Un-audited)	632,144	2,738,888	923,703	7,496,434	11,791,169

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,756,670	1,621,964
Adjustments for non-cash income and expense:		
Depreciation / amortisation on tangible assets	804,418	739,011
Amortisation on intangible assets	790	11,268
Expected credit losses	55,589	39,554
Property, plant and equipment written off	3,097	4,740
Gain on disposal of operating assets	(2,660)	(41,724)
Loss on disposal of investment property	2,166	-
Provision for compensated absences	83,459	47,798
Provision for defined contribution plan	79,595	68,267
Provision for bonus for employees	133,207	93,306
Provision for gratuity	112,138	69,509
(Reversal) / charged of provision for slow moving stores	(1,483)	2,830
Gain on investments and bank deposits	(108,432)	(94,163)
Impairment loss on disposal of subsidiary	21,015	-
Loss / (gain) on foreign currency translation	27,842	(365,999)
Finance cost	338,497	342,227
Operating cash flows before changes in working capital	3,305,908	2,538,588
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	8,983	(50,236)
Stock in trade	(163,031)	(300,966)
Trade debts	(659,105)	(889,133)
Loans and advances	(38,322)	53,891
Deposits, prepayments and other receivables	48,988	3,983
(Decrease) / increase in current liabilities:		
Trade and other payables	(484,248)	915,240
	(1,286,735)	(267,221)
Cash generated from operations	2,019,173	2,271,367
Finance cost paid	(311,044)	(257,770)
Income tax paid	(526,361)	(343,695)
Payment to SIHL Employees' Gratuity Fund Trust	(196,656)	(88,295)
Compensated absences paid	(55,285)	(44,515)
Payment to defined contribution plan	(62,988)	(71,667)
Net cash generated from operating activities	866,839	1,465,425
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(489,714)	(1,132,021)
Long term investments made	(350,000)	(695,599)
Encashment of other financial assets - net	150,000	263,000
Proceeds from disposal of PPE and items classified held for sale	4,537	95,729
Proceeds from disposal of investment property	26,000	-
Markup received	50,143	37,222
Dividend received	16,975	8,488
Increase in long term deposits	(5,756)	(4,746)
Net cash used in investing activities	(597,815)	(1,427,927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(662,764)	(1,101,878)
Proceeds from long term financing	202,444	390,314
Grant received	-	15,918
Payment of lease liabilities	(247,866)	(228,105)
Dividend paid	(80,203)	(98,543)
Net cash used in financing activities	(788,389)	(1,022,294)
Net decrease in cash and cash equivalents	(519,365)	(984,796)
Cash and cash equivalents at beginning of the period	2,219,433	2,320,432
Effect of exchange rate changes on cash and cash equivalents	(27,842)	365,999
Cash and cash equivalents at end of the period	1,672,226	1,701,635

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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.

These condensed interim unconsolidated financial statements are separate financial statements of the Company whereas investment in subsidiaries and associates are stated at cost rather than on the basis of reporting results of the investees. Condensed interim consolidated financial statements are prepared separately.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2** These condensed interim unconsolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed interim unconsolidated financial statements do not include all of the information required for annual unconsolidated financial statements, and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2023. Comparative condensed interim unconsolidated statement of financial position is extracted from annual unconsolidated financial statements as of June 30, 2023, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows are extracted from un-audited condensed interim unconsolidated financial statements for the nine months period ended March 31, 2023.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

2.3 Functional and presentation currency

These condensed interim unconsolidated financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of unconsolidated audited financial statements of the Company for the year ended June 30, 2023.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Amendments to published accounting and reporting standards which became effective during the period:

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

b) Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's accounting period beginning on or after January 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

4.2 Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the annual audited unconsolidated financial statements as at and for the year ended June 30, 2023.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
5	LONG TERM FINANCING - SECURED		
	From banking companies and non banking financial institution:		
	Syndicated Islamic Finance Facility	5.1 285,714	713,818
	Diminishing Musharakah Facility-1	5.2 71,597	72,176
	Diminishing Musharakah Facility-2	5.3 125,000	250,000
	Diminishing Musharakah Facility-3	5.4 577,390	407,196
	Refinance Facility to Combat COVID-19 (RFCC)	5.5 87,168	111,419
	Deferred income - Government grant	16,500	27,830
		103,668	139,249
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	5.6 79,499	107,798
	Deferred income - Government grant	7,019	13,313
		86,518	121,111
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	5.7 25,361	29,412
	Deferred income - Government grant	4,841	7,447
		30,202	36,859
		5.8 1,280,089	1,740,409
	Less: current portion	594,220	871,798
		685,869	868,611

5.1 This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% (June 2023: 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.

5.2 This includes outstanding balance of Rs. 2.6 million (June 2023: Rs. 19.6 million) against the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (June 2023: Rs. 449.5 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (June 2023: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment/machinery. The unavailed limit of this facility is Rs. 20.7 million (June 2023: Rs. 20.7 million). This also includes an outstanding balance of Rs. 68.9 million (June 2023: Rs. 52.6 million) against long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 105.7 million (June 2023: Rs. 83.2 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2023: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is nil (June 2023: nil).

5.3 This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2023: Rs. 500 million). Principal amount shall be repaid by October 01,

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (June 2023: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the Company.

- 5.4** This represents long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.4 million (June 2023: Rs. 407.2 million). Principal amount is repayable in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2023: 3 months KIBOR plus 0.70%) per annum. The financing is initially secured by ranking charge of Rs. 800 million, then followed by a first exclusive charge of Rs. 451.3 million against the plant and machinery being financed under DM facility to be installed/placed at hospital located at H-8/4, Islamabad. Additionally, the remaining charge of Rs. 348.7 million against the plant and machinery being financed under the DM facility will be upgraded to the first exclusive charge in order to vacate the ranking charge. The unavailed limit of this facility is Rs. 18.5 million (June 2023: Rs. 179.9 million).
- 5.5** This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 185.2 million (June 2023: Rs. 185.2 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 (June 2023: nil). 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.
- 5.6** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (June 2023: Rs. 200 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 (June 2023: nil). 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.
- 5.7** This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (June 2023: 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.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
	(Rupees in '000')	
5.8 Movement during the period / year		
Balance at beginning of the period / year	1,740,409	2,607,637
Proceeds during the period / year	202,444	486,450
Repayment during the period / year	(662,764)	(1,353,678)
Balance at end of the period / year	1,280,089	1,740,409

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 The guarantees issued by bank in favor of Sui Northern Gas Pipelines Limited (SNGPL) of aggregate sum of Rs. 33.1 million (June 2023: Rs. 33.1 million) on behalf of the Company in its ordinary course of business.

6.1.2 As of the current reporting period, the Company is facing claims and penalties totaling Rs. 22.25 million. Out of these the Company has paid penalties of Rs. 1.4 million under protest and issued bank guarantees of Rs. 1.5 million as per the direction of Islamabad High Court. These claims and penalties arose from legal actions and complaints citing medical negligence attributed to consultants/ doctors and other related matters and are being contested before the Peshawar, Islamabad, and Lahore High Courts, as well as the Supreme Court of Pakistan. The Company's management is confident that a favourable outcome will be achieved.

6.1.3 On June 06, 2012, the Competition Commission of Pakistan (CCP) imposed a penalty of 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 is confident that a favourable outcome for the GAMCs, including SIHL, will be achieved.

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

6.2.1 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. 1.3 million, Rs. 67 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.

6.2.2 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,

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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.

- 6.2.3** 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.
- 6.2.4** 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.
- 6.2.5** 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.
- 6.2.6** 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 condensed interim unconsolidated financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
6.3	Commitments		
	Capital expenditure contracted	767,057	104,711
	Letters of credit	33,060	-
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	5,905,982	5,806,345
	Capital work in progress	401,054	636,751
	Right of use assets	686,744	574,644
		6,993,780	7,017,740
7.1	Operating fixed assets		
	Written down value (WDV) at beginning of the period / year	5,806,345	5,548,235
	Additions	725,411	1,370,685
	Reclassified as investment property	-	(382,553)
		6,531,756	6,536,367
	WDV of disposals	(1,877)	(949)
	WDV of assets written off	(3,097)	(8,222)
	Depreciation for the period / year	(620,800)	(720,851)
	WDV at end of the period / year	5,905,982	5,806,345
7.1.1	Additions to operating fixed assets		
	Freehold land	-	1,931
	Building on leasehold land	31,231	62,492
	Leasehold improvements	120,026	313,085
	Biomedical equipment	257,234	711,560
	Air conditioning equipment and machinery	2,165	61,011
	Electrical and other equipment	48,706	105,344
	Furniture and fittings	11,062	22,767
	Computer installations	202,994	63,343
	Construction equipment	562	152
	Vehicles	51,431	29,000
		725,411	1,370,685
7.2	Capital work in progress		
	Balance at beginning of the period / year	636,751	743,435
	Additions during the period / year	73,917	556,632
	Transferred to operating fixed assets	(309,614)	(663,316)
	Balance at end of the period / year	401,054	636,751

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
Note	(Rupees in '000')	
7.2.1 Capital work in progress		
Construction work	248,901	347,130
Installation of equipment	152,153	289,621
	401,054	636,751
7.3 Right of use assets		
Balance at beginning of the period / year	574,644	842,502
Additions during the period / year	295,718	75,384
Modification / termination during the period / year	-	(164,620)
Depreciation for the period / year	(183,618)	(178,622)
Balance at end of the period / year	686,744	574,644
8 LONG TERM INVESTMENTS - AT COST		
In subsidiary companies (unquoted):		
Shifa Development Services (Private) Limited (SDSPL)	9,966	9,966
Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	1,697,521	1,697,521
Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	1,582,279	1,582,279
Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad)	1,356,170	1,356,170
8.1	1,356,170	1,356,170
Shifa International DWC - LLC (SIDL)	-	23,280
8.2	-	23,280
In associated companies (unquoted):		
Shifa CARE (Private) Limited (SCPL)	45,001	45,001
SIHT (Private) Limited (SIHT)	350,000	-
8.3	350,000	-
	5,040,937	4,714,217

8.1 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 initiating the marketing campaign to locate an active buyer.

8.2 The decision to wind up SIDL was approved in both the Board meetings of SIHL and its wholly owned subsidiary SIDL, through respective Board resolutions. Subsequent to that the management of the SIDL has initiated the process of winding up its affairs and distributing its assets to stakeholders. Further, on February 07, 2024, SIDL received a de-registration certificate from Dubai Aviation City Corporation. However, as of March 31, 2024, SIHL is in process of closure of bank accounts of SIDL with balance of Rs. 9.2 million which shall be remitted to the SIHL after fulfilling the requirements of concerned bank. During the period the SIHL recognized an impairment loss of Rs. 21,015 thousand in operating costs on derecognition of investment.

8.3 In line with the decision of Board of Directors of the Company in its meeting held on April 12, 2023, on September 23, 2023, the Company entered into a tripartite Shares Purchase Agreement (SPA) with Shifa

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Foundation and its wholly owned subsidiary SIHT (Private) Limited (SIHT) for acquiring 50% shareholding in SIHT from Shifa Foundation.

The SPA provides that the paid up share capital of SIHT shall be increased from Rs. 100,100,000 to Rs. 500,100,000 representing 5,001,000 ordinary shares of Rs. 100 each over the arrangement period. The SPA further provides that the referred acquisition of equity interest in SIHT to be made in nine quarterly installments shall be completed by September 30, 2025. Accordingly, by the end of the current interim period a sum of Rs. 350,000 thousand has been paid to Shifa Foundation to acquire 1,093,972 shares, representing 29.2% percent shareholding.

	Un-audited March 31, 2024	Audited June 30, 2023
Note	(Rupees in '000')	
9 TRADE DEBTS		
Unsecured - considered good:		
Related party - Shifa Foundation	9,875	15,686
Others	2,241,915	1,576,999
	2,251,790	1,592,685
Less: allowance for expected credit losses	9.1 282,152	226,563
	1,969,638	1,366,122
9.1 Movement of expected credit losses (ECL)		
Balance at beginning of the period / year	226,563	169,458
Add: expected credit losses	55,589	57,105
Balance at end of the period / year	282,152	226,563

	Un-audited			
	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000')			
10 REVENUE - NET				
Inpatients	11,192,482	8,759,710	3,669,734	3,057,538
Outpatients	6,189,373	5,085,095	1,994,155	1,809,881
Other services	598,360	1,038,718	170,249	369,650
	17,980,215	14,883,523	5,834,138	5,237,069
Less: discount	113,206	115,139	31,970	37,644
Less: sales tax	63,905	53,886	18,848	18,239
	177,111	169,025	50,818	55,883
	17,803,104	14,714,498	5,783,320	5,181,186

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited	
		Nine months period ended	
		March 31, 2024	March 31, 2023
		(Rupees in '000')	
11	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit after taxation	1,066,381	1,152,868
		(Numbers in '000')	
	Weighted average number of ordinary shares in issue	63,214	63,214
		(Rupees)	
	Earnings per share - basic and diluted	16.87	18.24

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

12 RELATED PARTY TRANSACTIONS

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

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

Related party transactions are based on arms's length between the parties as per pricing policy approved by the Board of Directors of the SIHL. Transactions and balances with the related parties are given below:

		Un-audited	
		Nine months period ended	
		March 31, 2024	March 31, 2023
		(Rupees in '000')	
	Transactions:		
	Shifa Foundation (Related party by virtue of common directorship)		
	Revenue from medical services earned by the Company	9,477	10,602
	Rent expense paid by and reimbursed to the Company	1,018	587
	Acquisition of shares of SIHT (Private) Limited	350,000	-
	Tameer-e-Millat Foundation (Related party by virtue of common directorship)		
	Supplies provided to the Company	75,976	83,595
	Other services provided to the Company	26,258	31,866
	Rental services received / earned by the Company	4,742	5,153
	Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
	Revenue from medical services earned by the Company	22,294	16,402

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited	
	Nine months period ended	
	March 31, 2024	March 31, 2023
	(Rupees in '000')	
Revenue from rent earned by the Company	2,902	2,638
Other services provided to the Company	72,001	66,072
Expenses paid by and reimbursed to the Company	2,113	2,180
SIHT (Private) Limited (Associate and common directorship)		
Revenue from medical services earned by the Company	428,317	294,699
Expenses paid by and reimbursed to the Company	4,176	5,826
Other services provided to the Company	19,540	18,305
Shifa Development Services (Private) Limited (Subsidiary and common directorship)		
Revenue from rent earned by the Company	1,096	1,356
Pre-construction services provided to the Company	-	50,986
Shifa International DWC - LLC (Subsidiary and common directorship)		
Patient referral services provided to the Company	14,677	13,359
Shifa Medical Centre Islamabad (Private) Limited (Subsidiary and common directorship)		
Investment made by the Company is nil (March 2023: 18,488,189) ordinary shares	-	184,882
Corporate shared services provided by the Company	5,132	7,599
Shifa National Hospital Faisalabad (Private) Limited (Subsidiary and common directorship)		
Investment made by the Company is nil (March 2023: 51,071,712) ordinary shares	-	510,717
Corporate shared services provided by the Company	5,132	7,599
Shifa Neuro Sciences Institute Islamabad (Private) Limited (Subsidiary and common directorship)		
Rent paid by the Company	87,126	79,205
Dividend income received by the Company	16,975	8,488
Shifa Cooperative Housing Society Limited (Related party by virtue of common directorship)		
Plot maintenance charges paid by the Company	905	758
Shifa CARE (Private) Limited (Associate and common directorship)		
Corporate shared services provided by the Company	1,924	1,809
SIHL Employees' Gratuity Fund Trust		
Payments made by the Company	196,656	88,295
Remuneration including benefits and perquisites of key management personnel	256,101	308,247

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
(Rupees in '000')		
Balances (unsecured):		
Shifa Foundation - receivable	9,875	15,686
Tameer-e-Millat Foundation - payable	8,641	12,803
Shifa Tameer-e-Millat University - payable	25,710	12,009
SIHT (Private) Limited - receivable	35,527	87,473
Shifa Neuro Sciences Institute Islamabad (Private) Limited - receivable	20,278	20,278
Shifa International DWC - LLC - receivable	-	46,485
SIHL Employees' Gratuity Fund Trust - payable	85,055	169,573

		Un-audited	
		March 31, 2024	March 31, 2023
(Rupees in '000')			
13	CASH AND CASH EQUIVALENTS		
	Investment in Term Deposit Receipt - at amortised cost	3,000	3,000
	Cash and bank balances	1,669,226	1,698,635
		1,672,226	1,701,635

14 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated audited financial statements for the year ended June 30, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the unconsolidated audited financial statements of the Company for the year ended June 30, 2023. The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

15 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in its meeting held on April 25, 2024 proposed first interim dividend of Rs. 1.5 per share.

16 GENERAL

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

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on April 25, 2024.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES		
Authorised share capital 100,000,000 (June 2023: 100,000,000) ordinary shares of Rs. 10 each	1,000,000	1,000,000
Issued, subscribed and paid up capital	632,144	632,144
Capital reserves		
Share premium	2,738,888	2,738,888
Surplus on revaluation of property, plant and equipment	2,014,118	2,032,194
Revenue reserves		
Unappropriated profits	6,965,198	5,991,558
	12,350,348	11,394,784
NON - CONTROLLING INTEREST		
	2,475,907	2,500,388
NON - CURRENT LIABILITIES		
Long term financing - secured	685,869	868,611
Deferred liabilities	419,355	423,143
Lease liabilities	493,981	297,008
	1,599,205	1,588,762
CURRENT LIABILITIES		
Trade and other payables	4,356,839	4,793,572
Unclaimed dividend	40,195	36,955
Unpaid Dividend	11,379	-
Markup accrued	34,665	70,874
Current portion of long term financing - secured	594,220	871,798
Current portion of lease liabilities	154,204	169,979
	5,191,502	5,943,178
	21,616,962	21,427,112
CONTINGENCIES AND COMMITMENTS		
	7	

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


CHIEF EXECUTIVE

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	13,969,137	13,987,475
Intangible assets		38,826	40,035
Investment property - at cost		720,292	748,450
Long term investments	9	385,102	45,079
Long term deposits		109,485	104,330
		15,222,842	14,925,369
CURRENT ASSETS			
Stores, spare parts and loose tools		244,197	251,698
Stock in trade		1,145,529	982,498
Trade debts	10	1,969,638	1,366,122
Loans and advances		486,469	434,901
Deposits, prepayments and other receivables		236,684	266,493
Markup accrued		3,097	2,077
Other financial assets		450,387	554,352
Tax refunds due from the government (net of provision)		145,663	320,936
Cash and bank balances		1,712,456	2,322,666
		6,394,120	6,501,743
		21,616,962	21,427,112


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended		Three months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in '000')					
Revenue - net	11	17,792,842	14,697,779	5,768,510	5,178,022
Other income		181,619	579,647	51,181	275,966
Operating costs		(15,843,641)	(13,261,690)	(5,136,530)	(4,598,473)
Finance cost		(322,366)	(320,409)	(101,836)	(106,927)
Expected credit losses		(55,699)	(39,554)	(18,110)	(15,161)
Share of (loss) / profit of associates		(9,978)	12,771	(3,766)	15,010
Profit before taxation		1,742,777	1,668,544	559,449	748,437
Provision for taxation		(719,392)	(505,506)	(239,446)	(189,304)
Profit after taxation from continuing operations		1,023,385	1,163,038	320,003	559,133
Profit / (loss) after taxation from discontinued operations		2,520	(2,032)	704	236
		1,025,905	1,161,006	320,707	559,369
Attributable to:					
Equity holders of SIHL					
From continuing operations		1,047,866	1,167,716	323,407	555,469
From discontinued operations		2,520	(2,032)	704	236
		1,050,386	1,165,684	324,111	555,705
Non-controlling interest					
From continuing operations		(24,481)	(4,678)	(3,404)	3,664
From discontinued operations		-	-	-	-
		(24,481)	(4,678)	(3,404)	3,664
		1,025,905	1,161,006	320,707	559,369
Earnings per share - basic and diluted (Rupees)					
From continuing operations		16.58	18.47	5.12	8.78
From discontinued operations		0.04	(0.03)	0.01	0.01
	13	16.62	18.44	5.13	8.79

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000')			
Profit after taxation	1,025,905	1,161,006	320,707	559,369
Other comprehensive income:				
Items that may not be subsequently reclassified in the consolidated statement of profit or loss:				
Foreign currency translation adjustment	-	1,095	-	944
Surplus on revaluation of land	-	719,105	-	619,651
Total comprehensive income for the period	1,025,905	1,881,206	320,707	1,179,964
Attributable to:				
Equity holders of SIHL				
From continuing operations	1,047,866	1,616,323	323,407	904,471
From discontinued operations	2,520	(2,032)	704	236
	1,050,386	1,614,291	324,111	904,707
Non-controlling interest				
From continuing operations	(24,481)	266,915	(3,404)	275,257
From discontinued operations	-	-	-	-
	(24,481)	266,915	(3,404)	275,257
	1,025,905	1,881,206	320,707	1,179,964

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profits	Non-controlling interest (NCI)	Total
(Rupees in '000')						
Balance as at July 01, 2022 (Audited)	632,144	2,738,888	1,546,319	4,898,668	1,670,759	11,486,778
Total comprehensive income for the period:						
Profit / (loss) after taxation	-	-	-	1,165,684	(4,678)	1,161,006
Other comprehensive income - net of tax	-	-	447,512	1,095	271,593	720,200
Realisation of revaluation surplus on disposal of assets	-	-	(19,463)	19,463	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(8,602)	8,602	-	-
NCI recognised during the period	-	-	-	-	474,250	474,250
Distribution to owners:						
Final dividend 2022 @ Rs 1.5 per share	-	-	-	(94,822)	-	(94,822)
Balance as at March 31, 2023 (Un-audited)	632,144	2,738,888	1,965,766	5,998,690	2,411,924	13,747,412
Balance as at July 01, 2023 (Audited)	632,144	2,738,888	2,032,194	5,991,558	2,500,388	13,895,172
Total comprehensive income for the period:						
Profit / (loss) after taxation	-	-	-	1,050,386	(24,481)	1,025,905
Other comprehensive income - net of tax	-	-	-	-	-	-
Realisation of revaluation surplus on disposal of assets	-	-	(4,284)	4,284	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(13,792)	13,792	-	-
Distribution to owners:						
Final dividend 2023 @ Rs 1.5 per share	-	-	-	(94,822)	-	(94,822)
Balance as at March 31, 2024 (Un-audited)	632,144	2,738,888	2,014,118	6,965,198	2,475,907	14,826,255

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Note	March 31, 2024	March 31, 2023
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,742,777	1,668,544
Adjustments for non-cash income and expense:		
Depreciation / amortisation on tangible assets	808,098	725,364
Amortisation on intangible assets	993	11,540
Expected credit losses	55,699	39,554
Property, plant and equipment written off	3,097	4,740
Gain on disposal of operating assets	(7,904)	(41,724)
Loss on disposal of investment property	2,166	-
Provision for compensated absences	83,459	47,798
Provision for defined contribution plan	79,595	68,267
Provision for bonus for employees	133,207	93,306
Provision for gratuity	113,532	69,509
(Reversal) / charged of provision for slow moving stores	(1,483)	2,830
Share of loss of associates	9,978	(12,771)
Gain on investment and bank deposits	(132,114)	(129,967)
Loss / (gain) on foreign currency translation	27,842	(366,048)
Finance cost	322,366	320,409
Operating cash flows before changes in working capital	3,241,308	2,501,351
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	8,983	(50,236)
Stock in trade	(163,031)	(300,966)
Trade debts	(659,105)	(889,133)
Loans and advances	(51,565)	152,254
Deposits, prepayments and other receivables	65,366	17,714
Discontinued operations	(37,148)	901
(Decrease) / increase in current liabilities:		
Trade and other payables	(520,217)	944,732
	(1,356,717)	(124,734)
Cash generated from operations	1,884,591	2,376,617
Finance cost paid	(311,071)	(258,053)
Income tax paid	(556,143)	(399,813)
Payment to SIHL Employees' Gratuity Fund Trust	(196,656)	(88,295)
Compensated absences paid	(55,248)	(44,515)
Payment to defined contribution plan	(62,988)	(71,667)
Net cash generated from operating activities	702,485	1,514,274
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(507,752)	(2,619,070)
Long term investments made	(350,000)	-
Encashment of other financial assets - net	228,995	512,577
Proceeds from disposal of PPE and items classified as held for sale	18,642	95,729
Proceeds from disposal of investment property	26,000	-
Markup received	74,548	43,147
Increase in long term deposits	(5,155)	(13,459)
Discontinued operations	-	(333)
Net cash used in investing activities	(514,722)	(1,981,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-controlling interest	-	474,250
Long term financing - repayments	(662,764)	(1,101,878)
Proceeds from long term financing	202,444	390,314
Grant received	-	15,918
Payment of lease liabilities	(161,134)	(148,961)
Dividend paid	(80,203)	(98,543)
Net cash used in financing activities	(701,657)	(468,900)
Net decrease in cash and cash equivalents	(513,894)	(936,035)
Cash and cash equivalents at beginning of the period	2,446,115	2,540,324
Effect of exchange rate changes on cash and cash equivalents	(27,842)	367,144
Cash and cash equivalents at end of the period	1,904,379	1,971,433

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1 STATUS AND NATURE OF BUSINESS

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 and Shifa Medical Center Islamabad (Private) Limited.

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 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 Company's entire shareholding in its subsidiary "SMC Islamabad". Pursuant to the said decision SMC Islamabad is currently in process of initiating the marketing campaign to locate an active buyer.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

The consolidated financial statement of the Group has been presented based upon management accounts for SNH Faisalabad and SMC Islamabad as at March 31, 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 These condensed interim consolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed interim consolidated financial statements do not include all of the information required for annual consolidated financial statements, and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2023. Comparative condensed interim consolidated statement of financial position is extracted from annual audited consolidated financial statements as of June 30, 2023, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows are extracted from un-audited condensed interim consolidated financial statements for the nine months period ended March 31, 2023.

2.3 Functional and presentation currency

These condensed interim consolidated financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Group.

3 BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements include the financial statements of SIHL and its subsidiaries, SDSPL 55% owned (June 2023: 55% owned), SNS Islamabad 100% owned (June 2023: 100% owned), SMC Islamabad 56% owned (June 2023: 56% owned) and SNH Faisalabad 61% owned (June 2023: 61% owned).

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of consolidated audited financial statements of the Group for the year ended June 30, 2023.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

4.1 Changes in accounting standards, interpretations and pronouncements

a) Amendments to published accounting and reporting standards which became effective during the period:

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

b) Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Group:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5.2 Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended June 30, 2023.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
6	LONG TERM FINANCING - SECURED		
	From banking companies and non banking financial institution:		
	Syndicated Islamic Finance Facility	6.1 285,714	713,818
	Diminishing Musharakah Facility-1	6.2 71,597	72,176
	Diminishing Musharakah Facility-2	6.3 125,000	250,000
	Diminishing Musharakah Facility-3	6.4 577,390	407,196
	Refinance Facility to Combat COVID-19 (RFCC)	6.5 87,168	111,419
	Deferred income - Government grant	16,500	27,830
		103,668	139,249
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	6.6 79,499	107,798
	Deferred income - Government grant	7,019	13,313
		86,518	121,111
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	6.7 25,361	29,412
	Deferred income - Government grant	4,841	7,447
		30,202	36,859
		6.8 1,280,089	1,740,409
	Less: current portion	594,220	871,798
		685,869	868,611

6.1 This represents syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% (June 2023: 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 land located at H-8/4 Islamabad.

6.2 This includes outstanding balance of Rs. 2.6 million (June 2023: Rs. 19.6 million) against the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (June 2023: Rs. 449.5 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (June 2023: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment/machinery. The unavailed limit of this facility is Rs. 20.7 million (June 2023: Rs. 20.7 million). This also includes an outstanding balance of Rs. 68.9 million (June 2023: Rs. 52.6 million) against long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 105.7 million (June 2023: Rs. 83.2

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2023: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is nil (June 2023: nil).

- 6.3** This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2023: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (June 2023: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the SIHL.
- 6.4** This represents long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.4 million (June 2023: Rs. 407.2 million). Principal amount is repayable in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.70% (June 2023: 3 months KIBOR plus 0.70%) per annum. The financing is initially secured by ranking charge of Rs. 800 million, then followed by a first exclusive charge of Rs. 451.3 million against the plant and machinery being financed under DM facility to be installed/placed at hospital located at H-8/4, Islamabad. Additionally, the remaining charge of Rs. 348.7 million against the plant and machinery being financed under the DM facility will be upgraded to the first exclusive charge in order to vacate the ranking charge. The unavailed limit of this facility is Rs. 18.5 million (June 2023: Rs. 179.9 million).
- 6.5** This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 185.2 million (June 2023: Rs. 185.2 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 (June 2023: nil). 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.
- 6.6** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (June 2023: Rs. 200 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 (June 2023: nil). 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.
- 6.7** This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (June 2023: 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.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
	(Rupees in '000')	
6.8 Movement during the period / year		
Balance at beginning of the period / year	1,740,409	2,607,637
Proceeds during the period / year	202,444	486,450
Repayment during the period / year	(662,764)	(1,353,678)
Balance at end of the period / year	1,280,089	1,740,409

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 The guarantees issued by bank in favor of Sui Northern Gas Pipelines Limited (SNGPL) of aggregate sum of Rs. 33.1 million (June 2023: Rs. 33.1 million) on behalf of the SIHL in its ordinary course of business.

7.1.2 As of the current reporting period, the SIHL is facing claims and penalties totaling Rs. 22.25 million. Out of these the SIHL has paid penalties of Rs. 1.4 million under protest and issued bank guarantees of Rs. 1.5 million as per the direction of Islamabad High Court. These claims and penalties arose from legal actions and complaints citing medical negligence attributed to consultants/ doctors and other related matters and are being contested before the Peshawar, Islamabad, and Lahore High Courts, as well as the Supreme Court of Pakistan. The SIHL's management is confident that a favourable outcome will be achieved.

7.1.3 On June 06, 2012, the Competition Commission of Pakistan (CCP) imposed a penalty of 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 is confident that a favourable outcome for the GAMCs, including SIHL, will be achieved.

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

7.2.1 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. 1.3 million, Rs. 67 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.

7.2.2 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

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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.

- 7.2.3** 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.
- 7.2.4** 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.
- 7.2.5** 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.
- 7.2.6** 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 condensed interim consolidated financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
7.3	Commitments		
	Capital expenditure contracted	767,057	104,711
	Letters of credit	33,060	-
8	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	9,907,170	9,890,858
	Capital work in progress	3,510,397	3,721,132
	Right of use assets	551,570	375,485
		13,969,137	13,987,475
8.1	Operating fixed assets		
	Written down value (WDV) at beginning of the period / year	9,890,858	8,903,750
	Additions	8.1.1 725,411	1,456,245
	Revaluation	-	738,348
	Reclassified as investment property	-	(382,553)
		10,616,269	10,715,790
	WDV of disposals	(10,738)	(949)
	WDV of assets written off	(3,097)	(8,222)
	Depreciation for the period / year	(695,264)	(815,761)
	WDV at end of the period / year	9,907,170	9,890,858
8.1.1	Additions to operating fixed assets		
	Freehold land	-	3,932
	Leasehold land	-	20,583
	Building on leasehold land	31,231	62,492
	Leasehold improvements	120,026	313,085
	Biomedical equipment	257,234	711,560
	Air conditioning equipment and machinery	2,165	61,011
	Electrical and other equipment	48,706	163,302
	Furniture and fittings	11,062	23,192
	Computer installations	202,994	64,899
	Construction equipment	562	152
	Vehicles	51,431	32,037
		725,411	1,456,245
8.2	Capital work in progress		
	Balance at beginning of the period / year	3,721,132	2,177,085
	Additions during the period / year	98,879	2,265,339
	Transferred to operating fixed assets	(309,614)	(721,292)
	Balance at end of the period / year	8.2.1 3,510,397	3,721,132

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
8.2.1 Capital work in progress			
Construction work		3,358,244	3,431,511
Installation of equipment		152,153	289,621
		3,510,397	3,721,132
8.3 Right of use assets			
Balance at beginning of the period / year		375,485	557,969
Additions during the period / year		295,718	75,384
Modification / termination during the period / year		-	(164,620)
Depreciation for the period / year		(119,633)	(93,248)
Balance at end of the period / year		551,570	375,485
9 LONG TERM INVESTMENTS			
In associated companies (unquoted)			
Shifa CARE (Private) Limited (SCPL)	9.1	42,315	45,079
SIHT (Private) Limited (SIHT)	9.2	342,787	-
		385,102	45,079
9.1 Shifa CARE (Private) Limited			
Balance at beginning of the period / year		45,079	32,862
Share in (loss) / profit for the period / year		(2,764)	12,217
Balance at end of the period / year		42,315	45,079

This represents investment in 4,500,050 (June 2023: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (June 2023: 50%) shareholding in SCPL held by the SIHL.

		Un-audited March 31, 2024	Audited June 30, 2023
		(Rupees in '000')	
9.2 SIHT (Private) Limited			
Balance at beginning of the period / year		-	-
Investment made during the period / year		350,000	-
Share in loss for the period / year		(7,213)	-
Balance at end of the period / year		342,787	-

In line with the decision of Board of Directors of the SIHL in its meeting held on April 12, 2023, on September 23, 2023, the SIHL entered into a tripartite Shares Purchase Agreement (SPA) with Shifa Foundation and its wholly owned subsidiary SIHT for acquiring 50% shareholding in SIHT from Shifa Foundation.

The SPA provides that the paid up share capital of SIHT shall be increased from Rs. 100,100,000 to Rs. 500,100,000 representing 5,001,000 ordinary shares of Rs. 100 each over the arrangement period. The SPA

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

further provides that the referred acquisition of equity interest in SIHT to be made in nine quarterly installments shall be completed by September 30, 2025. Accordingly, by the end of the current interim period a sum of Rs. 350,000 thousand has been paid to Shifa Foundation to acquire 1,093,972 shares, representing 29.2% percent shareholding.

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000')	
10 TRADE DEBTS			
Unsecured - considered good			
Related party - Shifa Foundation		9,875	15,686
Others		2,243,714	1,578,798
		2,253,589	1,594,484
Less: allowance for expected credit losses	10.1	283,951	228,362
		1,969,638	1,366,122
10.1 Movement of expected credit losses (ECL)			
Balance at beginning of the period / year		228,362	171,257
Add: expected credit losses		55,589	57,105
Balance at end of the period / year		283,951	228,362

	Un-audited			
	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000')			
11 REVENUE - NET				
Inpatients	11,192,482	8,759,710	3,669,734	3,057,540
Outpatients	6,189,373	5,085,108	1,979,345	1,812,440
Other services	586,760	1,020,004	170,249	363,265
	17,968,615	14,864,822	5,819,328	5,233,245
Less: discount	113,206	115,139	31,970	37,644
Less: sales tax	62,567	51,904	18,848	17,579
	175,773	167,043	50,818	55,223
	17,792,842	14,697,779	5,768,510	5,178,022

12 DISCONTINUED OPERATIONS

The decision to wind up Shifa International DWC - LLC (SIDL) was approved in both the Board meetings of SIHL and its wholly owned subsidiary SIDL, through respective Board resolutions. Subsequent to that the management of the SIDL has initiated the process of winding up its affairs and distributing its assets to stakeholders. Further, on February 07, 2024, SIDL received a de-registration certificate from Dubai Aviation

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

City Corporation. However, as of March 31, 2024, SIHL is in process of closure of bank accounts of SIDL with balance of Rs. 9.2 million which shall be remitted to the SIHL after fulfilling the requirements of concerned bank.

	Un-audited	
	Nine months period ended	
	March 31, 2024	March 31, 2023
	(Rupees in '000')	
Profit / (loss) and other comprehensive income for the period:		
Revenue	14,678	16,706
Other income	4	64
Operating costs	(12,216)	(18,802)
	2,466	(2,032)
Other comprehensive income for the period	-	-
	2,466	(2,032)
Cash flows from / (used in):		
Net cash generated from / (used in) operating activities	(37,148)	901
Net cash used in investing activities	-	(333)
Net cash (out flows) / inflows for the period	(37,148)	568
13 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation from continuing operations	1,047,866	1,167,716
Profit / (loss) after taxation from discontinued operations	2,520	(2,032)
	(Numbers in '000')	
Weighted average number of ordinary shares in issue	63,214	63,214
	(Rupees)	
Earnings per share - basic and diluted from continuing operations	16.58	18.47
Earnings per share - basic and diluted from discontinued operations	0.04	(0.03)

13.1 There is no dilutive effect on the basic earnings per share of the Group.

14 RELATED PARTY TRANSACTIONS

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

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

Related party transactions are based on arm's length between the parties as per pricing policy approved by the Board of Directors of the SIHL. Transactions and balances with the related parties are given below:

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited	
	Nine months period ended	
	March 31, 2024	March 31, 2023
	(Rupees in '000')	
Transactions:		
Shifa Foundation (Related party by virtue of common directorship)		
Revenue from medical services earned by the SIHL	9,477	10,602
Rent expense paid by and reimbursed to the SIHL	1,018	587
Acquisition of shares of SIHT (Private) Limited	350,000	-
Tameer-e-Millat Foundation (Related party by virtue of common directorship)		
Supplies provided to the SIHL	75,976	83,595
Other services provided to the SIHL	26,258	31,866
Rental services received / earned by the SIHL	4,742	5,153
Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
Revenue from medical services earned by the SIHL	22,294	16,402
Revenue from rent earned by the SIHL	2,902	2,638
Other services provided to the SIHL	72,001	66,072
Expenses paid by and reimbursed to the SIHL	2,113	2,180
SIHT (Private) Limited (Associate and common directorship)		
Revenue from medical services earned by the SIHL	428,317	294,699
Expenses paid by and reimbursed to the SIHL	4,176	5,826
Other services provided to the SIHL	19,540	18,305
Shifa Cooperative Housing Society Limited (Related party by virtue of common directorship)		
Plot maintenance charges paid by the SIHL	905	758
Shifa CARE (Private) Limited (Associate and common directorship)		
Corporate shared services provided by the SIHL	1,924	1,809
SIHL Employees' Gratuity Fund Trust		
Payments made by the SIHL	196,656	88,295
Remuneration including benefits and perquisites of key management personnel	269,620	360,667

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Un-audited
March 31,
2024

Audited
June 30,
2023

(Rupees in '000')

Balances (unsecured):

Shifa Foundation - receivable	9,875	15,686
Tameer-e-Millat Foundation - payable	8,641	12,803
Shifa Tameer-e-Millat University - payable	25,710	12,009
SIHT (Private) Limited - receivable	35,527	87,473
SIHL Employees' Gratuity Fund Trust - payable	85,055	169,573

Un-audited

March 31,
2024

March 31,
2023

(Rupees in '000')

15 CASH AND CASH EQUIVALENTS

Investments - at amortized cost	191,923	99,147
Cash and bank balances	1,712,456	1,872,286
	1,904,379	1,971,433

16 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated audited financial statements for the year ended June 30, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the consolidated audited financial statements of the Group for the year ended June 30, 2023. The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

17 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the SIHL in its meeting held on April 25, 2024 proposed first interim dividend of Rs. 1.5 per share.

18 GENERAL

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

19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been approved and authorized for issue by the Board of Directors of the SIHL on April 25, 2024.



CHIEF EXECUTIVE



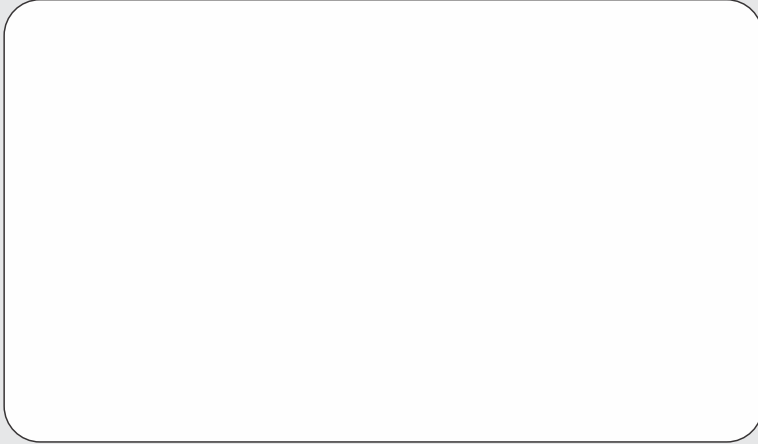
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