



RISING STRONGER

FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024



Shifa
International
Hospitals Ltd.



CONTENTS

Company Information	2
Directors' Review	3
ڈائریکٹرز کا جائزہ	4
Condensed Interim Unconsolidated Financial Statements	
Condensed Interim Unconsolidated Statement of Financial Position	6
Condensed Interim Unconsolidated Statement of Profit or Loss	8
Condensed Interim Unconsolidated Statement of Comprehensive Income	9
Condensed Interim Unconsolidated Statement of Changes in Equity	10
Condensed Interim Unconsolidated Statement of Cash Flows	11
Notes to the Condensed Interim Unconsolidated Financial Statements	12
Condensed Interim Consolidated Financial Statements	
Condensed Interim Consolidated Statement of Financial Position	26
Condensed Interim Consolidated Statement of Profit or Loss	28
Condensed Interim Consolidated Statement of Comprehensive Income	29
Condensed Interim Consolidated Statement of Changes in Equity	30
Condensed Interim Consolidated Statement of Cash Flows	31
Notes to the Condensed Interim Consolidated Financial Statements	32

COMPANY INFORMATION

Board of Directors

Dr. Habib Ur Rahman	Chairman
Dr. Zeeshan Bin Ishtiaque	CEO
Dr. Manzoor H. Qazi	Director
Mr. Qasim Farooq Ahmad	Vice Chairman
Dr. Samea Kauser Ahmad	Director
Syed Ilyas Ahmed	Director
Dr. Mohammad Naseem Ansari	Independent Director
Dr. Ioan Philippe Cleaton-Jones	Director
Shah Naveed Saeed	Independent Director
Dr. Mohammad Salim Khan	Independent Director
Mr. Taimoor Shah	Director

Audit Committee

Shah Naveed Saeed	Chairman
Dr. Manzoor H. Qazi	Member
Dr. Samea Kauser Ahmad	Member
Syed Ilyas Ahmed	Member

Human Resource & Remuneration Committee

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

Corporate Governance & Nominations Committee

Dr. Manzoor H. Qazi	Chairman
Dr. Zeeshan Bin Ishtiaque	Member
Dr. Samea Kauser Ahmad	Member
Dr. Ioan Philippe Cleaton-Jones	Member

Risk Management Committee

Mr. Qasim Farooq Ahmad	Chairman
Dr. Mohammad Naseem Ansari	Member
Mr. Taimoor Shah	Member
Dr. Mohammad Salim Khan	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

Dear Shareholders,

The Board of Directors is delighted to present the Condensed Interim Unconsolidated and Consolidated Financial Statements of the Company, covering the three-months period concluded on September 30, 2024. The key financial highlights are given below:

Operating Results	PKR in million Three months period ended September 30,					
	2024	2023	Change %	2024	2023	Change %
	UNCONSOLIDATED			CONSOLIDATED		
Revenue - net	7,061	5,941	19	7,061	5,941	19
Other income	45	55	(19)	59	74	(21)
Profit before levies and income tax	1,036	633	64	1,055	602	75
Profit for the period	629	394	60	638	354	80
Earnings per share-Rs.	9.95	6.23	60	10.18	5.93	72

During the period under review, we are pleased to announce a revenue increase of 19%. This performance is particularly noteworthy given that expenses also increased, but at a more modest rate of 14%. The positive differential between revenue growth and expense increase underscores our commitment to effective cost control, enhanced consumption management, and disciplined oversight of expenditures. As a result of these measures, our earnings per share has improved from Rs. 6.23 to Rs. 9.95 as compared with the corresponding period of last year.

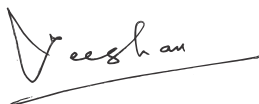
FUTURE OUTLOOK

The Board of Directors is firmly committed to maintaining the Company's profitability despite the challenging political landscape in the country. Additionally, we are dedicated to upholding the highest standards of quality patient care, recognizing that the well-being of our patients is our foremost priority. We will continue to invest in resources and initiatives designed to enhance patient experience and outcomes. This unwavering commitment to excellence in healthcare lies at the heart of our mission and is reflective of our strategic decisions.

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 BINISHTIAQUE

Chief Executive Officer

Islamabad

October 26, 2024



DR. MANZOOR H. QAZI

Director

ڈائریکٹرز کا جائزہ

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

معزز حصص داران،

بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی مدت کے کمپنی کے انضمام کردہ اور انفرادی عبوری مالیاتی نتائج کا خلاصہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ انہم مالیاتی نکات درج ذیل ہیں:

(پاکستانی روپے ملین میں) 30 ستمبر کو ختم ہونے والی سہ ماہی						کاروباری کارکردگی کے نتائج
تبدیلی فیصد	2023	2024	تبدیلی فیصد	2023	2024	
انضمام کردہ			انفرادی			
19	5,941	7,061	19	5,941	7,061	خالص آمدن
(21)	74	59	(19)	55	45	دیگر آمدن
75	602	1,055	64	633	1,036	منافع قبل از ٹیکس
80	354	638	60	394	629	رواں سال کا منافع
72	5.93	10.18	60	6.23	9.95	فی شیئر آمدنی (روپے)

زیر جائزہ مدت کے دوران، ہم آمدنی میں 19 فیصد اضافے کا اعلان کرتے ہوئے خوشی محسوس کرتے ہیں۔ یہ کارکردگی خاص طور پر قابل ذکر ہے، اس لیے کہ اخراجات میں بھی اضافہ ہوا، تاہم یہ شرح 14 فیصد رہی۔ آمدنی میں اضافے کے ساتھ اخراجات میں زیادہ اضافہ نہ ہونا ہمارے موثر لاگت کنٹرول، بہتر انتظام اور خرچ میں محتاط نگرانی کے عزم کو ظاہر کرتا ہے۔ ان اقدامات کے نتیجے میں ہماری فی شیئر آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 6.23 روپے سے بڑھ کر 9.95 روپے ہوئی۔

مستقبل کا منظر نامہ

بورڈ آف ڈائریکٹرز ملک میں مشکل سیاسی حالات کے باوجود کمپنی کے منافع کو برقرار رکھنے کے لیے عزم ہے۔ مزید برآں، ہم اپنے مرلیضوں کی بہتری کو اولین ترجیح دیتے ہوئے اعلیٰ معیار کی ہیلتھ کیئر فراہم کرنے کے عزم پر قائم ہیں۔ ہم مرلیضوں کے تجربے اور نتائج کو بہتر بنانے کے لیے وسائل اور اقدامات میں سرمایہ کاری جاری رکھیں گے۔ صحت کے شعبے میں بہترین کارکردگی کا غیر متزلزل عزم ہمارے مشن کا مرکزی نکتہ اور ہمارے اسٹریٹجک فیصلوں کا عکاس ہے۔

اعتراف

ہم قیادت، ملازمین، کونسلٹنٹس اور اسٹریٹجک شراکت داروں کی انتھک محنت اور تعاون پر تہ دل سے شکر گزار ہیں۔ ہم مسلسل تعاون اور اشتراک پر تمام اسٹیک ہولڈرز، بشمول شیئر ہولڈرز، مالیاتی اداروں، سپلائرز، مرلیضوں اور ریگولیٹری اداروں کا بھی شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Maryam

ڈاکٹر منظور امجد قاضی
ڈائریکٹر

Deeghan

ڈاکٹر ذیشان بن اشتیاق
چیف ایگزیکٹو آفیسر
اسلام آباد
26 اکتوبر 2024ء

CONDENSED INTERIM
UNCONSOLIDATED

FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Authorised share capital			
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		918,009	920,827
Revenue reserves			
Unappropriated profits		8,255,650	7,624,157
		12,544,691	11,916,016
NON - CURRENT LIABILITIES			
Long term financing - secured	6	559,397	579,756
Deferred liabilities		420,105	389,394
Lease liabilities		463,809	526,907
		1,443,311	1,496,057
CURRENT LIABILITIES			
Trade and other payables		4,223,724	4,044,057
Unclaimed dividend		44,608	44,730
Markup accrued		15,438	23,858
Current portion of long term financing - secured	6	314,655	495,195
Current portion of lease liabilities		248,686	266,739
		4,847,111	4,874,579
		18,835,113	18,286,652
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

Carice M. Rahman

CHAIRMAN

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	6,703,342	6,837,904
Intangible assets		40,517	40,780
Investment property - at cost		720,292	720,292
Long term investments - at cost	9	5,691,064	5,060,970
Long term deposits		118,787	113,937
		13,274,002	12,773,883
CURRENT ASSETS			
Stores, spare parts and loose tools		207,479	220,034
Stock in trade		1,020,496	1,041,866
Trade debts	10	1,775,884	1,346,189
Loans and advances		300,107	157,457
Deposits, prepayments and other receivables		200,006	185,398
Markup accrued		16,519	4,102
Other financial assets		211,480	202,566
Tax refunds due from the government (net of provision)		87,033	225,780
Cash and bank balances		1,742,107	2,129,377
		5,561,111	5,512,769
		18,835,113	18,286,652


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

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

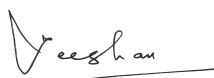
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		September 30, 2024	September 30, 2023
	Note	(Rupees in '000')	
Revenue - net	11	7,061,368	5,941,386
Other income		44,943	55,330
Operating costs		(5,951,540)	(5,233,255)
Finance costs		(98,915)	(114,333)
Expected credit losses		(19,885)	(15,785)
Profit before levies and income tax		1,035,971	633,343
Income tax expense		(407,296)	(239,801)
Profit for the period		628,675	393,542
Earnings per share - basic and diluted (Rupees)	12	9.95	6.23

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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

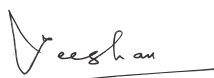
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
	(Rupees in '000')	
Profit for the period	628,675	393,542
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	628,675	393,542

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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

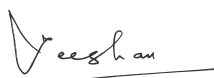
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profits	Total
	(Rupees in '000')				
Balance as at July 01, 2023	632,144	2,738,888	936,615	6,511,963	10,819,610
Total comprehensive income					
Profit for the period	-	-	-	393,542	393,542
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	393,542	393,542
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(2,876)	2,876	-
Balance as at September 30, 2023	632,144	2,738,888	933,739	6,908,381	11,213,152
Balance as at July 01, 2024	632,144	2,738,888	920,827	7,624,157	11,916,016
Total comprehensive income					
Profit for the period	-	-	-	628,675	628,675
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	628,675	628,675
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(2,818)	2,818	-
Balance as at September 30, 2024	632,144	2,738,888	918,009	8,255,650	12,544,691

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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

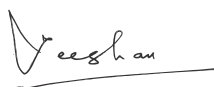
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	1,035,971	633,343
Adjustment of non-cash income and expense	13 510,511	476,066
Operating cash flows before changes in working capital	1,546,482	1,109,409
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	12,302	(6,334)
Stock-in-trade	21,370	30,121
Trade debts	(449,580)	(304,982)
Loans and advances	(142,650)	(125,326)
Deposits, prepayments and other receivables	(14,608)	41,656
Increase / (decrease) in current liabilities:		
Trade and other payables	216,035	(261,792)
	(357,131)	(626,657)
Cash generated from operations	1,189,351	482,752
Finance costs paid	(80,996)	(78,397)
Income tax paid	(239,156)	(159,339)
Payment to SIHL Employees' Gratuity Fund Trust	(142,681)	(31,438)
Compensated absences paid	(19,586)	(16,753)
Payment to defined contribution plan	(21,306)	(7,338)
Net cash generated from operating activities	685,626	189,487
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(142,081)	(149,327)
Outlay against long term investments	(630,094)	(200,000)
Proceeds from disposal of PPE	15	2,019
Markup received	13,427	14,712
Increase in long term deposits	(4,850)	(320)
Net cash used in investing activities	(763,583)	(332,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(253,898)	(222,147)
Proceeds from long term financing	52,999	57,386
Payment of lease liabilities	(107,490)	(82,688)
Dividend paid	(122)	(578)
Net cash used in financing activities	(308,511)	(248,027)
Net decrease in cash and cash equivalents	(386,468)	(391,456)
Cash and cash equivalents at beginning of the period	2,132,377	2,219,433
Effect of exchange rate changes on cash and cash equivalents	(802)	5,305
Cash and cash equivalents at end of the period	15 1,745,107	1,833,282

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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 where as 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, 2024. Comparative condensed interim unconsolidated statement of financial position is extracted from annual audited unconsolidated financial statements as of June 30, 2024, 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 three months period ended September 30, 2023.

3 MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER ACCOUNTING POLICIES

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

unconsolidated financial statements and financial risk management policy are the same as those applied in preparation of unconsolidated audited financial statements of the Company for the year ended June 30, 2024.

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING STANDARDS

4.1 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 do 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.

4.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 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.

5.2 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, 2024.

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
6 LONGTERM FINANCING - SECURED			
From islamic banks			
Syndicated Islamic Finance Facility	6.1	-	142,857
Diminishing Musharakah Facility-1	6.2	81,252	78,250
Diminishing Musharakah Facility-2	6.3	41,667	83,333
Diminishing Musharakah Facility-3	6.4	541,303	577,390
Diminishing Musharakah Facility-4	6.5	41,476	-
Islamic Refinance Facility to Combat COVID-19 (IRFCC)	6.6	59,576	69,647
Deferred income - Government grant		3,881	5,341
		63,457	74,988

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
Islamic Refinance Facility to Combat COVID-19 (IRFCC)			
	6.7	21,551	22,245
Deferred income - Government grant		3,379	4,073
		24,930	26,318
From conventional banks			
Refinance Facility to Combat COVID-19 (RFCC)	6.8	69,487	78,486
Deferred income - Government grant		10,480	13,329
		79,967	91,815
	6.9	874,052	1,074,951
Less: current portion shown under current liabilities			
From islamic banks		267,282	447,822
From conventional banks		47,373	47,373
		314,655	495,195
		559,397	579,756

- 6.1** This represented the syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% per annum. The facility with sanctioned limit of Rs. 2,000 million has been fully repaid on August 22, 2024. The financing was 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.
- 6.2** This represents the outstanding balance of long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 130.7 million (June 2024: Rs. 119.1 million). Principal amount is repayable in 60 equal monthly instalments carrying profit rate at 3 months KIBOR plus 0.70% (June 2024: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is nil (June 2024: nil). This also represented the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited, obtained on profit rate basis at 3 months KIBOR plus 0.80% per annum. The facility with sanctioned limit of Rs. 470.2 million has been fully repaid on September 30, 2024. The financing was secured by first exclusive charge of Rs. 781.3 million against equipment / machinery.
- 6.3** This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2024: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly instalments carrying profit rate at 3 months KIBOR plus 0.85% (June 2024: 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.
- 6.4** This represents the outstanding balance of long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.4 million. Principal amount is repayable in 16 equal quarterly instalments carrying profit rate at 3 months KIBOR plus 0.70% (June 2024: 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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

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 nil (June 2024: nil).

6.5 This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 135 million (June 2024: nil). Principal amount is repayable in 16 equal quarterly instalments carrying profit rate at 3 months KIBOR plus 0.50% per annum. The financing is secured by existing first pari passu charge of Rs. 800 million on all present and future fixed assets of the Company. The unavailed limit of this facility is Rs.93.5 million.

6.6 This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (June 2024: 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 instalments 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. 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.

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 2024: 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 instalments with profit rate of 1% per annum. The facility is secured by exclusive charge of Rs. 57 million over equipment / machinery against DM IRFCC. The unavailed limit of this facility is nil. 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.

6.8 This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 185.2 million (June 2024: Rs. 185.2 million). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly instalments 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. 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.

	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees in '000')	
6.9 Movement during the period / year		
Balance at beginning of the period / year	1,074,951	1,740,409
Proceeds during the period / year	52,999	216,122
Repayment during the period / year	(253,898)	(881,580)
Balance at end of the period / year	<u>874,052</u>	<u>1,074,951</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- 7.1.1** The guarantees issued by bank in favour of Sui Northern Gas Pipelines Limited (SNGPL) and Imtiaz Group (SMC-Private) Limited of aggregate sum of Rs. 34.6 million (June 2024: Rs. 33.1 million) on behalf of the Company in its ordinary course of business.
- 7.1.2** The Company is facing claims and penalties totalling Rs. 22.25 million (June 2024: Rs. 22.25 million). Out of these the Company has paid penalties of Rs. 1.4 million (June 2024: Rs. 1.4 million) under protest and also issued bank guarantees of Rs. 1.5 million (June 2024: Rs. 1.5 million) as per the direction of Islamabad High Court. These claims and penalties arose from legal actions and complaints and are being contested before the MoNHSRC Islamabad, the Peshawar, Islamabad, and Lahore High Courts as well as the Supreme Court of Pakistan. The Company's management, as per advice of the legal counsel, 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 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, as per advice of the legal counsel, 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, 2019 and 2023 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. 79.77 million, Rs. 37 million and 129.8 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 October 2024. Further, 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 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.
- 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 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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

- 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 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.
- 7.2.5** The tax authorities amended the assessment for the tax year 2014 and 2018 under section 177 of the Ordinance, resulting in a tax demand of Rs. 1,143.8 million and 42.4 million. Feeling aggrieved, for the Tax Year 2014 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. For the Tax Year 2018, the Company appealed the assessment before the ATIR on 24 July 2024.
- 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. Upon appeals, the ATIR deleted the sales tax charged on cafeteria and fixed assets, while confirming the sales tax on scrap. Furthermore, for the tax years 2016 and 2020, the department has filed sales tax references before the High Court, which 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.

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
7.3	Commitments		
	Capital expenditure contracted	80,961	294,233
	Letters of credit	389,763	521,187
8	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	5,744,847	5,878,386
	Capital work in progress	395,979	336,589
	Right of use assets	562,516	622,929
		6,703,342	6,837,904
8.1	Operating fixed assets		
	Written down value (WDV) at beginning of the period / year	5,878,386	5,806,346
	Additions	82,691	916,205
		5,961,077	6,722,551
	WDV of disposals	(2)	(1,998)
	WDV of assets written off	(6,494)	(7,168)
	Depreciation for the period / year	(209,734)	(834,999)
	WDV at end of the period / year	5,744,847	5,878,386

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Un-audited September 30, 2024	Audited June 30, 2024
Note	(Rupees in '000')	
8.1.1 Additions to operating fixed assets		
Building on leasehold land	-	41,844
Leasehold improvements	-	120,026
Biomedical equipment	49,423	378,065
Air conditioning equipment and machinery	5,382	3,623
Electrical and other equipment	7,173	68,274
Furniture and fittings	1,063	16,845
Computer installations	7,437	220,552
Construction equipment	226	607
Vehicles	11,987	66,369
	82,691	916,205
8.2 Capital work in progress		
Balance at beginning of the period / year	336,589	636,751
Additions during the period / year	59,390	45,757
Transferred to operating fixed assets	-	(345,919)
Balance at end of the period / year	8.2.1 395,979	336,589
8.2.1 Capital work in progress		
Construction work	267,884	243,714
Installation of equipment in progress	128,095	92,875
	395,979	336,589
8.3 Right of use assets		
Balance at beginning of the period / year	622,929	574,644
Additions during the period / year	-	293,287
Terminated during the period / year	-	(299)
Depreciation for the period / year	(60,413)	(244,703)
Balance at end of the period / year	562,516	622,929

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Un-audited	
		September 30, 2024	September 30, 2023
12	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit for the period (Rupees in '000')	628,675	393,542
	Weighted average number of ordinary shares outstanding during the period (Number in '000')	63,214	63,214
	Earnings per share - basic and diluted (Rupees)	9.95	6.23

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

		Un-audited	
		September 30, 2024	September 30, 2023
		(Rupees in '000')	
13	ADJUSTMENT OF NON-CASH INCOME AND EXPENSE		
	Depreciation / amortisation on tangible assets	270,147	257,890
	Amortisation on intangible assets	263	263
	Expected credit losses	19,885	15,785
	Property, plant and equipment written off	6,494	1,497
	Gain on disposal of tangible assets	(13)	(940)
	Provision for compensated absences	25,895	19,499
	Provision for defined contribution plan	30,307	28,072
	Provision for bonus for employees	65,745	42,030
	Provision for gratuity	26,575	35,379
	Charged / (reversal) of provision for slow moving stores	253	(944)
	Gain on investments and bank deposits	(34,757)	(31,493)
	Loss / (gain) on foreign currency translation	802	(5,305)
	Finance costs	98,915	114,333
		510,511	476,066

14 RELATED PARTY TRANSACTIONS

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

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

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:

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Un-audited	
	September 30, 2024	September 30, 2023
	(Rupees in '000')	
Transactions:		
Shifa Foundation (Related party by virtue of common directorship)		
Revenue from medical services earned by the Company	6,864	4,726
Rent expense paid by and reimbursed to the Company	338	484
Acquisition of 234,420 (Sept 2023: 625,118) ordinary shares of SIHT (Private) Limited	75,000	200,000
Tameer-e-Millat Foundation (Related party by virtue of common directorship)		
Supplies provided to the Company	30,393	21,386
Other services provided to the Company	6,938	7,723
Rental services received / earned by the Company	1,611	1,521
Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
Revenue from medical services earned by the Company	6,812	5,163
Revenue from rent earned by the Company	1,064	967
Other services provided to the Company	25,500	21,005
Expenses paid by and reimbursed to the Company	660	713
SIHT (Private) Limited (Associate and common directorship)		
Revenue from medical services earned by the Company	184,584	145,018
Expenses paid by and reimbursed to the Company	1,322	1,441
Other services provided to the Company	3,544	6,407
Shifa Development Services (Private) Limited (Subsidiary and common directorship)		
Revenue from rent earned by the Company	-	480
Shifa Medical Centre Islamabad (Private) Limited (Subsidiary and common directorship)		
Corporate shared services provided by the Company	-	2,566
Shifa National Hospital Faisalabad (Private) Limited (Subsidiary and common directorship)		
Investment made by the Company in 55,509,426 ordinary shares	555,094	-
Corporate shared services provided by the Company	-	2,566

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Shifa Neuro Sciences Institute Islamabad (Private) Limited (Subsidiary and common directorship)

Rent paid by the Company

Shifa Cooperative Housing Society Limited (Related party by virtue of common directorship)

Plot maintenance charges paid by the Company

Shifa CARE (Private) Limited (Associate and common directorship)

Corporate shared services provided by the Company

SIHL Employees' Gratuity Fund Trust

Payments made by the Company

Remuneration including benefits and perquisites of key management personnel

Un-audited	
September 30, 2024	September 30, 2023
(Rupees in '000')	
30,265	27,513
785	905
-	636
142,681	31,438
136,182	90,163

Balances (unsecured):

Shifa Foundation - receivable

Tameer-e-Millat Foundation - payable

Shifa Tameer-e-Millat University - payable

SIHT (Private) Limited - receivable

Shifa Neuro Sciences Institute Islamabad (Private) Limited - receivable

SIHL Employees' Gratuity Fund Trust - payable

Un-audited September 30, 2024	Audited June 30, 2024
(Rupees in '000')	
10,878	7,137
8,206	7,285
42,297	31,566
51,724	30,329
20,278	20,278
16,628	132,734

15 CASH AND CASH EQUIVALENTS

Investment in Term Deposit Receipt - at amortized cost

Cash and bank balances

Un-audited	
September 30, 2024	September 30, 2023
(Rupees in '000')	
3,000	3,000
1,742,107	1,830,282
1,745,107	1,833,282

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

16 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited unconsolidated financial statements for the year ended June 30, 2024. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited unconsolidated financial statements of the Company for the year ended June 30, 2024. The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

17 GENERAL

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

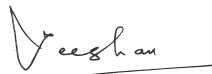
17.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation. However, no major reclassification has been made during the period.

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been approved and authorized for issue by the board of directors of the Company on October 26, 2024.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
SHARE CAPITAL AND RESERVES			
Authorised share capital			
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		2,014,727	2,021,310
Revenue reserves			
Unappropriated profits		7,768,863	7,118,684
		13,154,622	12,511,026
NON - CONTROLLING INTEREST			
		2,850,547	2,470,891
NON - CURRENT LIABILITIES			
Long term financing - secured	7	559,397	579,756
Deferred liabilities		420,105	389,394
Lease liabilities		452,800	483,396
		1,432,302	1,452,546
CURRENT LIABILITIES			
Trade and other payables		4,348,260	4,168,270
Unclaimed dividend		44,608	44,730
Markup accrued		15,438	23,858
Current portion of long term financing - secured	7	314,655	495,195
Current portion of lease liabilities		123,142	146,911
		4,846,103	4,878,964
		22,283,574	21,313,427
CONTINGENCIES AND COMMITMENTS			
	8		

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

Carice M. Rahman

CHAIRMAN

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	9	13,729,502	13,860,258
Intangible assets		39,375	39,375
Investment property - at cost		720,292	720,292
Long term investments	10	504,369	424,045
Long term deposits		130,899	126,050
		15,124,437	15,170,020
CURRENT ASSETS			
Stores, spare parts and loose tools		207,479	220,034
Stock in trade		1,020,496	1,041,866
Trade debts	11	1,775,886	1,346,189
Loans and advances		597,038	454,495
Deposits, prepayments and other receivables		194,874	175,459
Markup accrued		16,784	4,383
Other financial assets		487,957	484,991
Tax refunds due from the government (net of provision)		119,448	258,787
Cash and bank balances		2,739,175	2,157,203
		7,159,137	6,143,407
		22,283,574	21,313,427


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

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

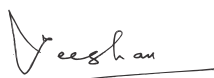
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		September 30, 2024	September 30, 2023
	Note	(Rupees in '000')	
Revenue - net	12	7,061,368	5,941,437
Other income		58,826	74,354
Operating costs		(5,955,299)	(5,289,014)
Finance costs		(95,529)	(108,535)
Expected credit losses		(19,885)	(15,785)
Share of profit / (loss) of associates		5,324	(691)
Profit before levies and income tax		1,054,805	601,766
Levies		(1,751)	(1,724)
Profit before income tax		1,053,054	600,042
Income tax expense		(415,545)	(246,100)
Profit for the period		637,509	353,942
Attributable to:			
Equity holders of SIHL		643,596	375,019
Non-controlling interest		(6,087)	(21,077)
		637,509	353,942
Earnings per share - basic and diluted (Rupees)	13	10.18	5.93

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



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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

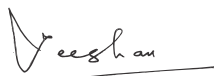
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
	(Rupees in '000')	
Profit for the period	637,509	353,942
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	637,509	353,942
Attributable to:		
Equity holders of SIHL	643,596	375,019
Non-controlling interest	(6,087)	(21,077)
	637,509	353,942

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



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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

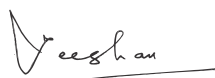
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	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, 2023	632,144	2,738,888	2,032,194	5,991,558	2,500,388	13,895,172
Total comprehensive income						
Profit / (loss) for the period	-	-	-	375,019	(21,077)	353,942
Other comprehensive income - net of tax	-	-	-	-	-	-
	-	-	-	375,019	(21,077)	353,942
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(3,581)	3,581	-	-
Balance as at September 30, 2023	632,144	2,738,888	2,028,613	6,370,158	2,479,311	14,249,114
Balance as at July 01, 2024	632,144	2,738,888	2,021,310	7,118,684	2,470,891	14,981,917
Total comprehensive income						
Profit / (loss) for the period	-	-	-	643,596	(6,087)	637,509
Other comprehensive income - net of tax	-	-	-	-	-	-
	-	-	-	643,596	(6,087)	637,509
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(6,583)	6,583	-	-
NCI recognised during the period	-	-	-	-	385,743	385,743
Balance as at September 30, 2024	632,144	2,738,888	2,014,727	7,768,863	2,850,547	16,005,169

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



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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

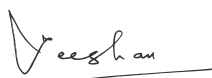
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	1,054,805	601,766
Adjustment of non-cash income and expense	485,244	449,011
Operating cash flows before changes in working capital	1,540,049	1,050,777
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	12,302	(6,334)
Stock in trade	21,370	30,121
Trade debts	(449,582)	(304,982)
Loans and advances	(142,543)	(142,302)
Deposits, prepayments and other receivables	(19,415)	60,560
Increase / (decrease) in current liabilities:		
Trade and other payables	216,268	(278,422)
	(361,600)	(641,359)
Cash generated from operations	1,178,449	409,418
Finance costs paid	(81,007)	(78,486)
Income tax paid	(248,561)	(167,358)
Payment to SIHL Employees' Gratuity Fund Trust	(142,681)	(31,438)
Compensated absences paid	(19,586)	(16,915)
Payment to defined contribution plan	(21,308)	(7,338)
Net cash generated from operating activities	665,306	107,883
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(143,467)	(127,347)
Outlay against long term investments	(75,000)	(200,000)
Encashment of other financial assets - net	10,065	25,723
Proceeds from disposal of PPE	15	15,459
Markup received	24,725	22,916
Increase in long term deposits	(4,850)	(321)
Net cash used in investing activities	(188,512)	(263,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-controlling interest	385,743	-
Long term financing - repayments	(253,898)	(222,147)
Proceeds from long term financing	52,999	57,386
Payment of lease liabilities	(77,225)	(55,173)
Dividend paid	(122)	(578)
Net cash generated from / (used in) financing activities	107,497	(220,512)
Net increase / (decrease) in cash and cash equivalents	584,291	(376,199)
Cash and cash equivalents at beginning of the period	2,383,305	2,446,115
Effect of exchange rate changes on cash and cash equivalents	(802)	5,305
Cash and cash equivalents at end of the period	2,966,794	2,075,221

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



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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 Neuro Sciences Institute Islamabad (Private) Limited, Shifa National Hospital Faisalabad (Private) Limited, Shifa Medical Center Islamabad (Private) Limited and Shifa Development Services (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 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 Sector H-8/4, Islamabad. The board of directors of the SIHL had previously decided to divest the SIHL's entire shareholding in its subsidiary, "SMC Islamabad". However, due to the significant downturn in the real estate market caused by current economic conditions, the sale has become less viable. As a result, in a meeting held on August 07, 2024, the board of directors of "SMC Islamabad" instructed its management to explore various feasible options other than the sale.

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 Sector H-8/4, Islamabad. During the year ended June 30, 2024, impairment loss on entire investment was recorded in view of ongoing financial difficulties faced by SDSPL due to which it may not be able to continue its business.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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, 2024. Comparative condensed interim consolidated statement of financial position is extracted from annual audited consolidated financial statements as of June 30, 2024, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated 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 three months period ended September 30, 2023.

3 BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements include the financial statements of SIHL and its subsidiaries, SNS Islamabad 100% owned (June 2024: 100% owned), SMC Islamabad 56% owned (June 2024: 56% owned) and SNH Faisalabad 61% owned (June 2024: 61% owned) and SDSPL 55% owned (June 2024: 55% owned).

4 MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER ACCOUNTING POLICIES

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 and financial risk management policy are the same as those applied in preparation of consolidated audited financial statements of the Group for the year ended June 30, 2024.

5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING STANDARDS

5.1 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 do 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.

5.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

6 ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 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.

6.2 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, 2024.

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
7	LONG TERM FINANCING - SECURED		
	From islamic banks		
	Syndicated Islamic Finance Facility	7.1	-
	Diminishing Musharakah Facility-1	7.2	81,252
	Diminishing Musharakah Facility-2	7.3	41,667
	Diminishing Musharakah Facility-3	7.4	541,303
	Diminishing Musharakah Facility-4	7.5	41,476
	Islamic Refinance Facility to Combat COVID -19 (IRFCC)	7.6	59,576
	Deferred income - Government grant		3,881
			63,457
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	7.7	21,551
	Deferred income - Government grant		3,379
			24,930
	From conventional banks		
	Refinance Facility to Combat COVID-19 (RFCC)	7.8	69,487
	Deferred income - Government grant		10,480
			79,967
		7.9	874,052
	Less: current portion shown under current liabilities		
	From islamic banks		267,282
	From conventional banks		47,373
			314,655
			559,397

7.1 This represented the syndicated Islamic finance facility, arranged and lead by Meezan Bank Limited, obtained on profit rate basis at 3 months KIBOR plus 0.85% per annum. The facility with sanctioned limit of Rs. 2,000 million has been fully repaid on August 22, 2024. The financing was 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 H-8/4 Islamabad.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

- 7.2** This represents the outstanding balance of long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 130.7 million (June 2024: Rs. 119.1 million). Principal amount is repayable in 60 equal monthly instalments carrying profit rate at 3 months KIBOR plus 0.70% (June 2024: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is nil (June 2024: nil). This also represented the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited, obtained on profit rate basis at 3 months KIBOR plus 0.80% per annum. The facility with sanctioned limit of Rs. 470.2 million has been fully repaid on September 30, 2024. The financing was secured by first exclusive charge of Rs. 781.3 million against equipment / machinery.
- 7.3** This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (June 2024: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly instalments carrying profit rate at 3 months KIBOR plus 0.85% (June 2024: 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.
- 7.4** This represents the outstanding balance of long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.4 million. Principal amount is repayable in 16 equal quarterly instalments carrying profit rate at 3 months KIBOR plus 0.70% (June 2024: 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 nil (June 2024: nil).
- 7.5** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 135 million (June 2024: nil). Principal amount is repayable in 16 equal quarterly instalments carrying profit rate at 3 months KIBOR plus 0.50% per annum. The financing is secured by existing first pari passu charge of Rs. 800 million on all present and future fixed assets of the SIHL. The unavailed limit of this facility is Rs. 93.5 million.
- 7.6** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (June 2024: 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 instalments 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. 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.
- 7.7** This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (June 2024: 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 instalments with profit rate of 1% per annum. The facility is secured by exclusive charge of Rs. 57 million over equipment / machinery against DM IRFCC. The unavailed limit of this facility is nil. 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

- 7.8** This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 185.2 million (June 2024: Rs. 185.2 million). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly instalments 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. 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.

	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees in '000')	
7.9 Movement during the period / year		
Balance at beginning of the period / year	1,074,951	1,740,409
Proceeds during the period / year	52,999	216,122
Repayment during the period / year	(253,898)	(881,580)
Balance at end of the period / year	874,052	1,074,951

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- 8.1.1** The guarantees issued by bank in favour of Sui Northern Gas Pipelines Limited (SNGPL) and Imtiaz Group (SMC-Private) Limited of aggregate sum of Rs. 34.6 million (June 2024: Rs. 33.1 million) on behalf of the SIHL in its ordinary course of business.
- 8.1.2** The SIHL is facing claims and penalties totalling Rs. 22.25 million (June 2024: Rs. 22.25 million). Out of these the SIHL has paid penalties of Rs. 1.4 million (June 2024: Rs. 1.4 million) under protest and also issued bank guarantees of Rs. 1.5 million (June 2024: Rs. 1.5 million) as per the direction of Islamabad High Court. These claims and penalties arose from legal actions and complaints and are being contested before the MoNHSRC Islamabad, the Peshawar, Islamabad, and Lahore High Courts as well as the Supreme Court of Pakistan. The SIHL's management, as per advice of the legal counsel, is confident that a favourable outcome will be achieved.
- 8.1.3** 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, as per advice of the legal counsel, is confident that a favourable outcome for the GAMCs, including SIHL, will be achieved.

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

- 8.2.1** The tax authorities have amended the assessments for the tax years 2012, 2013, 2014, 2015, 2016, 2019 and 2023 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. 79.77 million, Rs. 37 million and 129.8 million respectively. The SIHL, feeling aggrieved, appealed these assessments before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) partly confirmed the

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

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 October 2024. Further, these appeals are currently pending adjudication.

- 8.2.2** 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 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.
- 8.2.3** 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.
- 8.2.4** 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.
- 8.2.5** The tax authorities amended the assessment for the tax year 2014 and 2018 under section 177 of the Ordinance, resulting in a tax demand of Rs. 1,143.8 million and 42.4 million. Feeling aggrieved, for the Tax Year 2014 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. For the Tax Year 2018, the SIHL appealed the assessment before the ATIR on 24 July 2024.
- 8.2.6** 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. Upon appeals, the ATIR deleted the sales tax charged on cafeteria and fixed assets, while confirming the sales tax on scrap. Furthermore, for the tax years 2016 and 2020, the department has filed sales tax references before the High Court, which 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
8.3	Commitments		
	Capital expenditure contracted	80,961	294,233
	Letters of credit	389,763	521,187
9	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	9,718,650	9,871,120
	Capital work in progress	3,540,823	3,480,040
	Right of use assets	470,029	509,098
		13,729,502	13,860,258
9.1	Operating fixed assets		
	Written down value (WDV) at beginning of the period / year	9,871,120	9,890,859
	Additions	82,691	916,142
	Revaluation	-	20,321
	Impairment	-	(4,037)
		9,953,811	10,823,285
	WDV of disposals	(2)	(10,859)
	WDV of assets written off	(6,494)	(7,168)
	Depreciation for the period / year	(228,665)	(934,138)
	WDV at end of the period / year	9,718,650	9,871,120
9.1.1	Additions to operating fixed assets		
	Building on leasehold land	-	41,844
	Leasehold improvements	-	120,026
	Biomedical equipment	49,423	378,065
	Air conditioning equipment and machinery	5,382	3,623
	Electrical and other equipment	7,173	68,275
	Furniture and fittings	1,063	16,845
	Computer installations	7,437	220,488
	Construction equipment	226	607
	Vehicles	11,987	66,369
		82,691	916,142
9.2	Capital work in progress		
	Balance at beginning of the period / year	3,480,040	3,721,132
	Additions during the period / year	60,783	104,827
	Transferred to operating fixed assets	-	(345,919)
	Balance at end of the period / year	3,540,823	3,480,040

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
9.2.1 Capital work in progress			
Construction work		3,412,728	3,387,165
Installation of equipment in progress		128,095	92,875
		3,540,823	3,480,040
9.3 Right of use assets			
Balance at beginning of the period / year		509,098	375,485
Additions during the period / year		-	293,287
Terminated during the period / year		-	(299)
Depreciation for the period / year		(39,069)	(159,375)
Balance at end of the period / year		470,029	509,098
10 LONG TERM INVESTMENTS			
In associated companies (unquoted):			
SIHT (Private) Limited (SIHT)	10.1	504,369	424,045
Shifa CARE (Private) Limited (SCPL)	10.2	-	-
		504,369	424,045
10.1 SIHT (Private) Limited			
Balance at beginning of the period / year		424,045	-
Investment made during the period / year		75,000	425,000
Share in profit / (loss) for the period / year		5,324	(955)
Balance at end of the period / year		504,369	424,045

This represents investment in 1,562,817 (June 2024: 1,328,397) fully paid ordinary shares of Rs. 100 each of SIHT. The above investment in ordinary shares represents 31.3% (June 2024: 29.5%) shareholding in SIHT held by the SIHL.

		Un-audited September 30, 2024	Audited June 30, 2024
		(Rupees in '000')	
10.2 Shifa CARE (Private) Limited			
Balance at beginning of the period / year		-	45,079
Impairment loss on investment during the period / year		-	(41,528)
Share in loss for the period / year		-	(3,551)
Balance at end of the period / year		-	-

The investment consists of 4,500,050 (June 2024: 4,500,050) fully paid ordinary shares of Rs. 10 each, representing 50% (June 2024: 50%) shareholding in SCPL held by SIHL. The share of loss in SCPL for the period ended September 30, 2024 amounted to Rs. 199 thousand is not recognized as the carrying amount of investment has been reduced to zero due to recognition of impairment loss in prior year.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees in '000')	
11 TRADE DEBTS		
Unsecured - considered good		
Related party - Shifa Foundation	10,878	7,137
Others	2,027,410	1,581,998
	2,038,288	1,589,135
Less: allowance for expected credit losses	262,402	242,946
	1,775,886	1,346,189

	Un-audited September 30, 2024	September 30, 2023
	(Rupees in '000')	
12 REVENUE - NET		
Inpatients	4,385,561	3,675,649
Outpatients	2,511,155	2,107,650
Other services	216,635	221,622
	7,113,351	6,004,921
Less: discount	27,487	41,038
Less: sales tax	24,496	22,446
	51,983	63,484
	7,061,368	5,941,437
13 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period (Rupees in '000')	643,596	375,019
Weighted average number of ordinary shares outstanding during the period (Number in '000')	63,214	63,214
Earnings per share - basic and diluted (Rupees)	10.18	5.93

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Un-audited	
		September 30, 2024	September 30, 2023
		(Rupees in '000')	
14	ADJUSTMENT OF NON-CASH INCOME AND EXPENSE		
	Depreciation / amortisation on tangible assets	267,733	255,046
	Amortisation on intangible assets	-	430
	Expected credit losses	19,885	15,785
	Property, plant and equipment written off	6,494	1,497
	Gain on disposal of tangible assets	(13)	(6,170)
	Provision for compensated absences	25,895	19,499
	Provision for defined contribution plan	30,307	28,072
	Provision for bonus for employees	65,745	42,030
	Provision for gratuity	26,575	35,550
	Charged / (reversal) of provision for slow moving stores	253	(944)
	Share of (profit) / loss of associates	(5,324)	691
	Gain on investment and bank deposits	(48,637)	(45,705)
	Loss / (gain) on foreign currency translation	802	(5,305)
	Finance costs	95,529	108,535
		485,244	449,011

15 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:

		Un-audited	
		September 30, 2024	September 30, 2023
		(Rupees in '000')	
Transactions:			
Shifa Foundation (Related party by virtue of common directorship)			
	Revenue from medical services earned by the SIHL	6,864	4,726
	Rent expense paid by and reimbursed to the SIHL	338	484
	Acquisition of 234,420 (Sept 2023: 625,118) ordinary shares of SIHT (Private) Limited	75,000	200,000

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Un-audited	
	September 30, 2024	September 30, 2023
	(Rupees in '000')	
Tameer-e-Millat Foundation (Related party by virtue of common directorship)		
Supplies provided to the SIHL	30,393	21,386
Other services provided to the SIHL	6,938	7,723
Rental services received / earned by the SIHL	1,611	1,521
Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
Revenue from medical services earned by the SIHL	6,812	5,163
Revenue from rent earned by the SIHL	1,064	967
Other services provided to the SIHL	25,500	21,055
Expenses paid by and reimbursed to the SIHL	660	713
SIHT (Private) Limited (Associate and common directorship)		
Revenue from medical services earned by the SIHL	184,584	145,018
Expenses paid by and reimbursed to the SIHL	1,322	1,441
Other services provided to the SIHL	3,544	6,407
Shifa Cooperative Housing Society Limited (Related party by virtue of common directorship)		
Plot maintenance charges paid by the SIHL	785	905
Shifa CARE (Private) Limited (Associate and common directorship)		
Corporate shared services provided by the SIHL	-	636
SIHL Employees' Gratuity Fund Trust		
Payments made by the SIHL	142,681	31,438
Remuneration including benefits and perquisites of key management personnel	136,182	97,180
	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees in '000')	
Balances (unsecured):		
Shifa Foundation - receivable	10,878	7,137
Tameer-e-Millat Foundation - payable	8,206	7,285
Shifa Tameer-e-Millat University - payable	42,297	31,566
SIHT (Private) Limited - receivable	51,724	30,329
SIHL Employees' Gratuity Fund Trust - payable	16,628	132,734

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Un-audited	
September 30, 2024	September 30, 2023
(Rupees in '000')	
227,619	180,587
2,739,175	1,894,634
2,966,794	2,075,221

16 CASH AND CASH EQUIVALENTS

Investments - at amortized cost
Cash and bank balances

17 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended June 30, 2024. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended June 30, 2024. The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

18 GENERAL

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

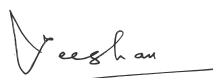
18.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation. However, no major reclassification has been made during the period.

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 October 26, 2024.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

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