



RISING STRONGER

FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 31, 2024



Shifa
International
Hospitals Ltd.



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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. 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 are delighted to present the Condensed Interim Unconsolidated and Consolidated Financial Statements of the Company, covering the six-months period concluded on December 31, 2024. The key financial highlights are given below:

Operating Results	PKR in million Six months period ended December 31,					
	2024	2023	Change %	2024	2023	Change %
	UNCONSOLIDATED			CONSOLIDATED		
Revenue - net	13,923	12,020	16	13,923	12,024	16
Other income	174	115	51	154	130	18
Profit before levies and income tax	2,303	1,206	91	2,253	1,183	90
Profit for the period	1,314	745	76	1,243	703	77
Earnings per share-Rs.	20.78	11.78	76	20.01	11.52	74

The Company recorded a 16% revenue growth during the period under review while effectively managing operational costs and reducing finance expenses by 19% due to strategic debt repayments. This resulted in a 76% increase in earnings per share, reaching Rs. 20.78, compared to Rs. 11.78 in the previous year.

This exceptional financial performance underscores the Company's strong operational execution, disciplined cost management, and prudent financial strategy. With a robust balance sheet and healthy liquidity, the Company remains well-positioned to pursue strategic initiatives and maximize shareholder value.

Strategic Developments

To optimize operational efficiency and enhance overall corporate synergies, the Board of Directors has approved the merger of Shifa Neuro Sciences Institute Islamabad (Private) Limited—a wholly owned subsidiary—into Shifa International Hospitals Limited subject to completion of all statutory, legal and contractual requirements applicable to Shifa International Hospitals Limited.

This strategic decision aims to:

- Streamline operations and reduce administrative overhead
- Enhance resource utilization and service delivery
- Drive cost efficiency while maintaining regulatory compliance under the Companies Act, 2017

The merger process will be executed with complete transparency, ensuring adherence to all regulatory requirements.

Future Outlook

Despite macroeconomic and political uncertainties, the Company remains committed to sustaining growth through market leadership, technological advancements, and customer-centric strategies.

Key focus areas include:


- Expanding healthcare infrastructure to enhance patient experience and clinical outcomes
- Investing in cutting-edge medical technologies and digital transformation
- Strengthening our financial resilience and strategic partnerships

Our long-term vision remains centered on delivering superior patient care, operational excellence, and sustainable value for all stakeholders.

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
February 22, 2025



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 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے اختتام پر کمپنی کے انضمام کردہ اور انفرادی عبوری مالیاتی نتائج کا خلاصہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اہم مالیاتی نکات درج ذیل ہیں:

پاکستانی روپے ملین میں (31 دسمبر کو ختم ہونے والے چھ ماہ)						کاروباری کارکردگی کے نتائج
تبدیلی فیصد	2023	2024	تبدیلی فیصد	2023	2024	
انضمام کردہ			انفرادی			
16	12,024	13,923	16	12,020	13,923	خالص آمدن
18	130	154	51	115	174	دیگر آمدن
90	1,183	2,253	91	1,206	2,303	منافع قبل از ٹیکس
77	703	1,243	76	745	1,314	رواں سال چھ ماہ کا منافع
74	11.52	20.01	76	11.78	20.78	فی شیئر آمدنی (روپے)

کمپنی نے جائزہ شدہ مدت کے دوران 16 فیصد آمدنی میں ریکارڈ اضافہ کیا جبکہ عملیاتی لاگت کو موثر طریقے سے قابو کیا اور حکمت عملی کے تحت قرضوں کی ادائیگی کے ذریعے مالیاتی اخراجات میں 19 فیصد کمی کی۔ اس کے نتیجے میں فی حصص آمدنی میں 76 فیصد اضافہ ہوا، جو 20.78 روپے تک پہنچ گئی، جبکہ پچھلے سال اسی مدت میں 11.78 روپے تھی۔

یہ شاندار مالیاتی کارکردگی کمپنی کی مستحکم حکمت عملی، نظم و ضبط پر مبنی لاگت کے انتظام، اور دانشمندانہ مالیاتی حکمت عملی کو ظاہر کرتی ہے۔ مضبوط میزان نامہ اور بہتر مالیاتی استحکام کے ساتھ، کمپنی اپنے حکمت عملی کے اقدامات کو آگے بڑھانے اور معزز حصص داران کی قدر کو مزید بڑھانے کے لیے تیار ہے۔

حکمت عملی کے تحت ترقیاتی اقدامات

عملی کارکردگی کو بہتر بنانے اور مجموعی مستند ہم آہنگی کو فروغ دینے کے لیے، بورڈ آف ڈائریکٹرز نے شفا نیوروسائنسز انسٹی ٹیوٹ اسلام آباد (پرائیویٹ) لمیٹڈ، جو کہ مکمل طور پر اس کی ذیلی کمپنی ہے، کو شفا انٹرنیشنل ہسپتال لمیٹڈ میں ضم کرنے کی منظوری دے دی ہے، بشرطیکہ شفا انٹرنیشنل ہسپتال لمیٹڈ پر لاگو تمام قانونی، ضابطہ جاتی اور معاہداتی تقاضے مکمل کیے جائیں۔

یہ حکمت عملی کے تحت فیصلہ درج ذیل مقاصد کے لیے کیا گیا ہے:

- * عملیات کو ہموار کرنا اور انتظامی اخراجات کو کم کرنا
 - * وسائل کے استعمال اور خدمات کی فراہمی کو بہتر بنانا
 - * کمپنیز ایکٹ 2017 کے تحت ریگولیٹری تعمیل برقرار رکھتے ہوئے لاگت کی کارکردگی کو بہتر بنانا
- انضمام کا عمل مکمل شفافیت کے ساتھ انجام دیا جائے گا، جس میں تمام مضابطہ جاتی تقاضوں کی مکمل تعمیل کی جائے گی۔

مستقبل کی حکمت عملی

اگرچہ معاشی اور سیاسی غیر یقینی صورتحال موجود ہے، کمپنی اپنی ترقی کو برقرار رکھنے کے لیے پرعزم ہے، اور اس کا مرکزی مارکیٹ میں قیادت، تکنیکی ترقیات اور صارفین پر مبنی حکمت عملیوں پر ہوگا۔

اہم توجہ کے شعبے درج ذیل ہیں

* صحت کی سہولیات میں توسیع تاکہ مریضوں کے تجربے اور طبی نتائج کو بہتر بنایا جاسکے

* جدید طبی ٹیکنالوجیز اور ڈیجیٹل ٹرانسفارمیشن میں سرمایہ کاری

* مالیاتی استحکام اور حکمت عملی کے تحت شراکت داریوں کو مضبوط کرنا

ہماری طویل مدتی حکمت عملی اعلیٰ معیار کی مریضوں کی دیکھ بھال، عملیاتی کی، بہترین کارکردگی، اور تمام اسٹیک ہولڈرز کے لیے پائیدار قدر فراہم کرنے پر مرکوز ہے۔

اعتراف

ہم قیادت، ملازمین، کنسلٹنٹس اور اسٹریٹجک شراکت داروں کی بے لوث محنت اور خدمات پر دلی شکر یہ ادا کرتے ہیں۔ ہم تمام شراکت داران، بشمول حصص داران، مالیاتی ادارے، فراہم کنندگان، مریضوں، اور مضابطہ جاتی اداروں کے تعاون اور شراکت پر بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Maryam

ڈائریکٹر منظر امیج قاضی
ڈائریکٹر

Dr. Azeem

ڈاکٹر ذیشان بن اشتیاق
چیف ایگزیکٹو آفیسر
اسلام آباد

22 فروری 2025

INDEPENDENT AUDITORS REVIEW REPORT TO THE MEMBERS OF SHIFA INTERNATIONAL HOSPITALS LIMITED**Report on review of Condensed Interim Unconsolidated Financial Statements****Introduction**

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Shifa International Hospitals Limited ("the Company") as at December 31, 2024 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows, and selected notes to the condensed interim unconsolidated financial statements for the six month period then ended (here in after referred to as the "interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

Conclusion

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

Other Matters

The figures for the quarter ended December 31, 2024 and December 31, 2023 in the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion, as we are required to review only the cumulative figures for the six month period ended December 31, 2024.

The engagement partner on the review resulting in this independent auditors review report is Atif Riaz.

ISLAMABAD

DATED: February 25, 2025
UDIN: AR2024100609UjZx1N8J



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 31, 2024

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		Un-audited December 31, 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		915,191	920,827
Revenue reserves			
Unappropriated profit		8,785,446	7,624,157
		13,071,669	11,916,016
NON - CURRENT LIABILITIES			
Long term financing - secured	5	725,546	579,756
Deferred liabilities		396,803	389,394
Lease liabilities		558,289	526,907
		1,680,638	1,496,057
CURRENT LIABILITIES			
Trade and other payables		4,736,485	4,044,057
Unclaimed dividend		52,934	44,730
Markup accrued		18,144	23,858
Provision for income tax		141,836	-
Current portion of long term financing - secured	5	271,135	495,195
Current portion of lease liabilities		286,989	266,739
		5,507,523	4,874,579
		20,259,830	18,286,652
CONTINGENCIES AND COMMITMENTS			
	6		

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


CHIEF EXECUTIVE

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	7	7,169,612	6,837,904
Intangible assets		40,253	40,780
Investment property - at cost		720,292	720,292
Long term investments - at cost	8	5,766,064	5,060,970
Long term deposits		119,003	113,937
		13,815,224	12,773,883
CURRENT ASSETS			
Stores, spare parts and loose tools		215,585	220,034
Stock in trade		967,596	1,041,866
Trade debts	9	1,867,254	1,346,189
Loans and advances		191,184	157,457
Deposits, prepayments and other receivables		174,705	185,398
Markup accrued		16,929	4,102
Other financial assets		320,395	202,566
Tax refunds due from the government (net of provision)		-	225,780
Cash and bank balances		2,690,958	2,129,377
		6,444,606	5,512,769
		20,259,830	18,286,652


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six months period ended		Three months period ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		(Rupees in '000')			
Revenue - net	10	13,923,394	12,019,784	6,862,026	6,078,400
Other income		174,180	114,816	130,038	64,792
Operating costs		(11,554,657)	(10,659,520)	(5,603,916)	(5,431,571)
Finance costs		(186,708)	(231,762)	(87,793)	(117,429)
Expected credit losses		(52,836)	(37,589)	(32,951)	(21,804)
Profit before levies and income tax		2,303,373	1,205,729	1,267,404	572,388
Income tax		(989,684)	(461,090)	(582,387)	(221,288)
Profit for the period		1,313,689	744,639	685,017	351,100
Earnings per share - basic and diluted (Rupees)	11	20.78	11.78	10.84	5.55

The annexed notes 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months period ended		Three months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000')			
Profit for the period	1,313,689	744,639	685,017	351,100
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	1,313,689	744,639	685,017	351,100

The annexed notes 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profit	Total
	(Rupees in '000')				
Balance as at July 01, 2023 (Audited)	632,144	2,738,888	936,615	6,511,963	10,819,610
Total comprehensive income					
Profit for the period	-	-	-	744,639	744,639
Other comprehensive income - net of tax	-	-	-	-	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(5,752)	5,752	-
Distribution to owners					
Dividend-final 2023 @ Rs. 1.5 per share	-	-	-	(94,822)	(94,822)
Balance as at December 31, 2023	632,144	2,738,888	930,863	7,167,532	11,469,427
Balance as at July 01, 2024 (Audited)	632,144	2,738,888	920,827	7,624,157	11,916,016
Total comprehensive income					
Profit for the period	-	-	-	1,313,689	1,313,689
Other comprehensive income - net of tax	-	-	-	-	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(5,636)	5,636	-
Distribution to owners					
Dividend-final 2024 @ Rs. 2.5 per share	-	-	-	(158,036)	(158,036)
Balance as at December 31, 2024	632,144	2,738,888	915,191	8,785,446	13,071,669

The annexed notes 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	2,303,373	1,205,729
Adjustment of non-cash income and expense	963,268	1,009,344
Operating cash flows before changes in working capital	3,266,641	2,215,073
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	2,539	24,251
Stock-in-trade	74,270	(41,085)
Trade debts	(573,901)	(403,890)
Loans and advances	(33,727)	(77,818)
Deposits, prepayments and other receivables	10,693	101,328
Increase / (decrease) in current liabilities:		
Trade and other payables	618,762	(300,796)
	98,636	(698,010)
Cash generated from operations	3,365,277	1,517,063
Finance costs paid	(137,022)	(225,822)
Income tax paid	(618,880)	(347,270)
Payment to SIHL Employees' Gratuity Fund Trust	(144,220)	(93,987)
Compensated absences paid	(47,752)	(36,036)
Payment to defined contribution plan	(46,546)	(41,726)
Net cash generated from operating activities	2,370,857	772,222
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(705,314)	(354,233)
Outlay against long term investments	(705,094)	(275,000)
(Investment) / encashment of other financial assets - net	(100,000)	150,000
Proceeds from disposal of PPE	2,728	2,488
Markup received	65,718	33,744
Dividend received	50,926	16,975
Increase in long term deposits	(7,237)	(10,748)
Net cash used in investing activities	(1,398,273)	(436,774)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repayments	(364,645)	(443,385)
Proceeds from long term financing	286,375	179,847
Payment of lease liabilities	(183,175)	(153,216)
Dividend paid	(149,832)	(79,681)
Net cash used in financing activities	(411,277)	(496,435)
Net increase / (decrease) in cash and cash equivalents	561,307	(160,987)
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	274	(14,962)
Cash and cash equivalents at end of the period	2,693,958	2,043,484

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 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 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 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 six months period ended December 31, 2023.

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 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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

3.1 Changes in accounting standards, interpretation 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 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.

b) 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 period 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.

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, 2024.

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
5 LONG TERM FINANCING - SECURED			
From islamic banks			
Syndicated Islamic Finance Facility	5.1	-	142,857
Diminishing Musharakah Facility-1	5.2	107,953	78,250
Diminishing Musharakah Facility-2	5.3	-	83,333
Diminishing Musharakah Facility-3	5.4	505,216	577,390
Diminishing Musharakah Facility-4	5.5	240,554	-
Islamic Refinance Facility to Combat COVID-19 (IRFCC)	5.6	49,282	69,647
Deferred income - Government grant		2,644	5,341
		51,926	74,988

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
Islamic Refinance Facility to Combat COVID-19 (IRFCC)	5.7	18,324	22,245
Deferred income - Government grant		2,729	4,073
		21,053	26,318
From conventional banks			
Refinance Facility to Combat COVID-19 (RFCC)	5.8	61,485	78,486
Deferred income - Government grant		8,494	13,329
		69,979	91,815
	5.9	996,681	1,074,951
Less: current portion shown under current liabilities			
From islamic banks		231,151	447,822
From conventional banks		39,984	47,373
		271,135	495,195
		725,546	579,756

- 5.1** 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.
- 5.2** This represents the outstanding balance of long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 150.90 million (June 2024: Rs. 119.10 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. 470.20 million has been fully repaid on September 30, 2024. The financing was secured by first exclusive charge of Rs. 781.30 million against equipment / machinery.
- 5.3** This represented the long term Islamic finance facility obtained from Meezan Bank Limited, carrying profit rate at 3 months KIBOR plus 0.85% per annum. The facility with sanctioned limit of Rs. 500 million has been fully repaid on October 01, 2024. The financing was secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the Company.
- 5.4** This represents the outstanding balance of long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.40 million (June 2024: Rs. 577.40 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. 451.30 million against the plant and machinery being financed under DM facility to be installed /

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

placed at hospital located at H-8/4, Islamabad. Additionally, the remaining charge of Rs. 348.70 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).

- 5.5** This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 240.60 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. 140.30 million.
- 5.6** 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.
- 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 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.
- 5.8** 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 December 31, 2024	Audited June 30, 2024
	(Rupees in '000')	
5.9 Movement during the period / year		
Balance at beginning of the period / year	1,074,951	1,740,409
Proceeds during the period / year	286,375	216,122
Repayment during the period / year	(364,645)	(881,580)
Balance at end of the period / year	<u>996,681</u>	<u>1,074,951</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 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. 36.6 million (June 2024: Rs. 33.1 million) on behalf of the Company in its ordinary course of business.

6.1.2 The Company is facing claims and penalties amounting to Rs. 5.9 million (June 2024: Rs. 22.25 million) after claims of Rs. 16.35 million were set aside by the Honorable Islamabad High Court, Islamabad. Of this amount, the Company has paid, under protest, Rs. 1.4 million (June 2024: Rs. 1.4 million) and subsequent to the reporting period the Company has paid, under protest, an amount of Rs. 1 million. Additionally, the Company has provided bank guarantees totaling Rs. 1.5 million (June 2024: Rs. 1.5 million) in compliance with the directions of the Islamabad High Court. Out of the bank guarantees, a bank guarantee of Rs. 1 million is anticipated to be returned soon, following a favorable order passed by the Islamabad High Court, Islamabad.

These claims and penalties arose from legal proceedings and complaints that are currently under litigation before the Ministry of National Health Services, Regulations, and Coordination (MoNHSRC) Islamabad, as well as the Peshawar and Lahore High Courts and the Supreme Court of Pakistan. Based on the advice of legal counsel, the Company's management remains confident of achieving favorable outcomes.

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, as per advice of the legal counsel, 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 amended the assessments for the tax years 2012 to 2016, 2019, 2021 and 2023 under Section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance). They raised total tax demands of Rs. 601.3 million against these years. The Company, being aggrieved, appealed these amended assessments before the Commissioner Inland Revenue (Appeals) [CIR(A)] or the Appellate Tribunal Inland Revenue [ATIR], as applicable, on various dates from September 2018 to December 2024. These appeals are currently pending adjudication.

6.2.2 The tax authorities imposed taxes of Rs. 109.60 million, Rs. 178.40 million, Rs. 27.40 million, and Rs. 29.20 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, being 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.

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. Being 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

- 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, being 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 and 2018 under section 177 of the Ordinance, resulting in a tax demand of Rs. 1,143.80 million and Rs. 42.40 million. Being 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 July 24, 2024.
- 6.2.6** The tax authorities imposed sales tax under Section 11 of the Sales Tax Act, 1990, on the alleged non-payment of sales tax on sales of scrap, fixed assets, and cafeteria services for the tax years 2016 to 2020, raising total tax demands of Rs. 225.2 million for these years. Upon appeal, the ATIR deleted the sales tax charged on cafeteria services and fixed assets but confirmed 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 December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
6.3	Commitments		
	Capital expenditure contracted	101,559	294,233
	Letters of credit	107,647	521,187
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	5,787,636	5,878,386
	Capital work in progress	700,178	336,589
	Right of use assets	681,798	622,929
		<u>7,169,612</u>	<u>6,837,904</u>
7.1	Operating fixed assets		
	Written down value at beginning of the period / year	5,878,386	5,806,346
	Additions	341,724	916,205
		<u>6,220,110</u>	<u>6,722,551</u>
	Written down value of disposals	(1,062)	(1,998)
	Written down value of assets written off	(11,729)	(7,168)
	Depreciation for the period / year	(419,683)	(834,999)
	Written down value at end of the period / year	<u>5,787,636</u>	<u>5,878,386</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
7.1.1 Additions to operating fixed assets			
Building on leasehold land		26,272	41,844
Leasehold improvements		-	120,026
Biomedical equipment		231,711	378,065
Air conditioning equipment and machinery		10,696	3,623
Electrical and other equipment		16,307	68,274
Furniture and fittings		2,823	16,845
Computer installations		37,241	220,552
Construction equipment		-	607
Vehicles		16,674	66,369
		341,724	916,205
7.2 Capital work in progress			
Balance at beginning of the period / year		336,589	636,751
Additions during the period / year		417,046	45,757
Transferred to operating fixed assets		(53,457)	(345,919)
Balance at end of the period / year	7.2.1	700,178	336,589
7.2.1 Capital work in progress			
Construction work		252,300	243,714
Installation of equipment in progress		447,878	92,875
		700,178	336,589
7.3 Right of use assets			
Balance at beginning of the period / year		622,929	574,644
Additions during the period / year		181,579	293,287
Terminated during the period / year		-	(299)
Depreciation for the period / year		(122,710)	(244,703)
Balance at end of the period / year		681,798	622,929
8 LONG TERM INVESTMENTS - AT COST			
In subsidiary companies (unquoted):			
Shifa Development Services (Private) Limited (SDSPL)	8.1	9,966	9,966
Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	8.2	1,697,521	1,697,521
Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	8.3	2,137,373	1,582,279
Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad)	8.4	1,356,170	1,356,170
In associated companies (unquoted):			
Shifa CARE (Private) Limited (SCPL)	8.5	45,001	45,001
SIHT (Private) Limited (SIHT)	8.6	575,000	425,000
		5,821,031	5,115,937

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
Less: accumulated impairment loss			
Shifa Development Services (Private) Limited (SDSPL)	8.1	9,966	9,966
Shifa CARE (Private) Limited (SCPL)	8.5	45,001	45,001
		54,967	54,967
		5,766,064	5,060,970

8.1 This represents investment in 1,650,000 (June 2024: 1,650,000) fully paid ordinary shares of Rs. 10 each of SDSPL. The above investment in ordinary shares represents 55% (June 2024: 55%) shareholding in SDSPL held by the Company. The impairment loss of Rs. 9,966 thousand was recorded in the prior year in view of financial difficulties faced by SDSPL due to which it may not be able to continue its business.

8.2 This represents investment in 169,752,100 (June 2024: 169,752,100) fully paid ordinary shares of Rs. 10 each of SNS Islamabad. The above investment in ordinary shares represents 100% (June 2024: 100%) shareholding in SNS Islamabad held by the Company.

8.3 This represents investment in 213,737,338 (June 2024: 158,227,912) fully paid ordinary shares of Rs. 10 each of SNH Faisalabad. The above investment in ordinary shares represents 60% (June 2024: 61%) shareholding in SNH Faisalabad held by the Company.

8.4 This represents investment in 135,617,001 (June 2024: 135,617,001) fully paid ordinary shares of Rs. 10 each of SMC Islamabad. The above investment in ordinary shares represents 56% (June 2024: 56%) shareholding in SMC Islamabad held by the Company.

8.5 This represents investment in 4,500,050 (June 2024: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (June 2024: 50%) shareholding in SCPL held by the Company. During the prior year, impairment loss of Rs. 45,001 thousand was recorded in view of on going financial difficulties faced by SCPL due to which it may not be able to continue its business.

8.6 This represents investment in 1,797,237 (June 2024: 1,328,397) fully paid ordinary shares of Rs. 100 each of SIHT. The above investment in ordinary shares represents 36% (June 2024: 29.5%) shareholding in SIHT held by the Company.

		Un-audited December 31, 2024	Audited June 30, 2024
		(Rupees in '000')	
9	TRADE DEBTS		
	Unsecured - considered good		
	Related party - Shifa Foundation	14,031	7,137
	Others	2,147,206	1,580,199
		2,161,237	1,587,336
	Less: allowance for expected credit losses (ECL)	293,983	241,147
		1,867,254	1,346,189

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Un-audited			
	Six months period ended		Three months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000')			
10 REVENUE - NET				
Inpatient	8,678,648	7,522,748	4,293,088	3,847,100
Outpatient	4,924,089	4,190,805	2,414,237	2,087,906
Other services	420,531	428,112	203,955	201,121
	<u>14,023,268</u>	<u>12,141,665</u>	<u>6,911,280</u>	<u>6,136,127</u>
Less: discount	52,285	76,824	26,102	35,785
Less: sales tax	47,589	45,057	23,152	21,942
	<u>99,874</u>	<u>121,881</u>	<u>49,254</u>	<u>57,727</u>
	<u>13,923,394</u>	<u>12,019,784</u>	<u>6,862,026</u>	<u>6,078,400</u>

	Un-audited	
	December 31, 2024	December 31, 2023
11 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period (Rupees in '000')	1,313,689	744,639
Weighted average number of ordinary shares in issue (Number in '000')	63,214	63,214
Earnings per share - basic and diluted (Rupees)	20.78	11.78

	Un-audited	
	December 31, 2024	December 31, 2023
	(Rupees in '000')	
12 ADJUSTMENT OF NON-CASH INCOME AND EXPENSE		
Depreciation / amortisation on tangible assets	542,393	528,481
Amortisation on intangible assets	527	527
Expected credit losses	52,836	37,589
Property, plant and equipment written off	11,729	2,521
Gain on disposal of tangible assets	(1,666)	(1,081)
Provision for compensated absences	54,237	38,639
Provision for defined contribution plan	61,635	54,171
Provision for bonus for employees	147,382	91,177
Provision for gratuity	53,150	73,759

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Un-audited	
		December 31, 2024	December 31, 2023
		(Rupees in '000')	
	Charged / (reversal) of provision for slow moving stores	1,910	(844)
	Profit on bank deposits	(78,544)	(35,723)
	Gain on investments	(68,755)	(48,307)
	Impairment loss on remeasurement of long term investment	-	21,711
	(Gain) / loss on foreign currency translation	(274)	14,962
	Finance costs	186,708	231,762
		963,268	1,009,344
13	CASH AND CASH EQUIVALENTS		
	Investment in Term Deposit Receipts - at amortised cost	3,000	3,000
	Cash and bank balances	2,690,958	2,040,484
		2,693,958	2,043,484

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:

		Un-audited	
		December 31, 2024	December 31, 2023
		(Rupees in '000')	
Transactions:			
Shifa Foundation			
(Related party by virtue of common directorship)			
	Revenue from medical and other services earned by the Company	9,957	7,208
	Rent expense paid by and reimbursed to the Company	675	752
	Acquisition of 468,840 (Dec 2023: 859,545) ordinary shares of SIHT (Private) Limited	150,000	275,000
Tameer-e-Millat Foundation			
(Related party by virtue of common directorship)			
	Supplies provided to the Company	50,439	48,868
	Other services provided to the Company	14,012	17,028
	Rental services received / earned by the Company	6,243	3,131

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Un-audited	
	December 31, 2024	December 31, 2023
	(Rupees in '000')	
Shifa Tameer-e-Millat University		
(Related party by virtue of common directorship)		
Revenue from medical and other services earned by the Company	15,025	12,668
Revenue from rent earned by the Company	2,128	1,935
Other services provided to the Company	41,565	46,501
Expenses paid by and reimbursed to the Company	2,909	1,405
SIHT (Private) Limited		
(Associate and common directorship)		
Revenue from medical services earned by the Company	359,332	284,461
Expenses paid by and reimbursed to the Company	2,479	2,953
Other services provided to the Company	3,544	12,813
Shifa Development Services (Private) Limited		
(Subsidiary and common directorship)		
Revenue from rent earned by the Company	-	1,008
Shifa Medical Centre Islamabad (Private) Limited		
(Subsidiary and common directorship)		
Corporate shared services provided by the Company	-	5,132
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	-	5,132
Shifa Neuro Sciences Institute Islamabad (Private) Limited		
(Subsidiary and common directorship)		
Rent paid by the Company	62,547	56,861
Dividend income received by the Company	50,926	16,975
Shifa Cooperative Housing Society Limited		
(Related party by virtue of common directorship)		
Plot maintenance charges paid by the Company	785	905
Shifa CARE (Private) Limited		
(Associate and common directorship)		
Corporate shared services provided by the Company	-	1,273
SIHL Employees' Gratuity Fund Trust		
Payments made by the Company	144,220	93,987
Remuneration including benefits and perquisites of key management personnel	247,347	189,931

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

**Un-audited
December 31,
2024** Audited
June 30,
2024

(Rupees in '000')

Balances (unsecured):

Shifa Foundation - receivable	14,031	7,137
Tameer-e-Millat Foundation - payable	18,601	7,285
Shifa Tameer-e-Millat University - payable	55,539	31,566
SIHT (Private) Limited - receivable	46,414	30,329
Shifa Neuro Sciences Institute Islamabad (Private) Limited - receivable	20,278	20,278
SIHL Employees' Gratuity Fund Trust - payable	41,664	132,734

15 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.

16 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 February 22, 2025.

17 GENERAL

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 31, 2024



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Un-audited December 31, 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	2,009,679	2,021,310
Revenue reserves		
Unappropriated profit	8,237,043	7,118,684
	13,617,754	12,511,026
NON - CONTROLLING INTEREST		
	2,834,656	2,470,891
NON - CURRENT LIABILITIES		
Long term financing - secured	6	725,546
Deferred liabilities	396,803	579,756
Lease liabilities	558,289	389,394
	1,680,638	483,396
CURRENT LIABILITIES		
Trade and other payables	4,756,581	4,168,270
Unclaimed dividend	52,934	44,730
Markup accrued	18,144	23,858
Provision for income tax	104,516	-
Current portion of long term financing - secured	6	271,135
Current portion of lease liabilities	179,915	146,911
	5,383,225	4,878,964
	23,516,273	21,313,427
CONTINGENCIES AND COMMITMENTS		
	7	

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


 CHIEF EXECUTIVE

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	8	14,355,844	13,860,258
Intangible assets		39,375	39,375
Investment property - at cost		720,292	720,292
Long term investments	9	584,594	424,045
Advances to suppliers and contractors		260,445	-
Long term deposits		131,899	126,050
		16,092,449	15,170,020
CURRENT ASSETS			
Stores, spare parts and loose tools		215,585	220,034
Stock in trade		967,596	1,041,866
Trade debts	10	1,867,254	1,346,189
Loans and advances		239,961	454,495
Deposits, prepayments and other receivables		170,647	175,459
Markup accrued		17,118	4,383
Other financial assets		1,020,454	484,991
Tax refunds due from the government (net of provision)		-	258,787
Cash and bank balances		2,925,209	2,157,203
		7,423,824	6,143,407
		23,516,273	21,313,427


DIRECTOR


CHIEF FINANCIAL OFFICER

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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six months period ended		Three months period ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		(Rupees in '000')			
Revenue - net	11	13,923,394	12,024,332	6,862,026	6,082,897
Other income		154,359	130,438	96,335	61,389
Operating costs		(11,602,251)	(10,707,111)	(5,647,755)	(5,423,401)
Finance costs		(180,647)	(220,531)	(85,118)	(111,996)
Expected credit losses		(52,836)	(37,589)	(32,951)	(21,804)
Share of profit / (loss) of associates		10,549	(6,212)	5,225	(5,521)
Profit before levies and income tax		2,252,568	1,183,327	1,197,762	581,564
Levies		(3,197)	(3,866)	(1,446)	(2,142)
Profit before income tax		2,249,371	1,179,461	1,196,316	579,422
Income tax		(1,006,585)	(476,080)	(591,040)	(229,980)
Profit for the period		1,242,786	703,381	605,276	349,442
Attributable to:					
Equity holders of SIHL		1,264,764	728,390	621,167	353,374
Non-controlling interest		(21,978)	(25,009)	(15,891)	(3,932)
		1,242,786	703,381	605,276	349,442
Earnings per share - basic and diluted (Rupees)	12	20.01	11.52	9.83	5.59

The annexed notes 1 to 18 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months period ended		Three months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000')			
Profit for the period	1,242,786	703,381	605,276	349,442
Other comprehensive income for the period - net of tax	-	-	-	-
Item that will be subsequently reclassified to the consolidated statement of profit or loss:				
Foreign currency translation adjustment	-	(30)	-	(30)
Total comprehensive income for the period	<u>1,242,786</u>	<u>703,351</u>	<u>605,276</u>	<u>349,412</u>
Attributable to:				
Equity holders of SIHL	1,264,764	728,360	621,167	353,344
Non-controlling interest	(21,978)	(25,009)	(15,891)	(3,932)
	<u>1,242,786</u>	<u>703,351</u>	<u>605,276</u>	<u>349,412</u>

The annexed notes 1 to 18 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profit	Non-controlling interest (NCI)	Total
(Rupees in '000')						
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						
Profit / (loss) for the period	-	-	-	728,390	(25,009)	703,381
Other comprehensive income - net of tax	-	-	-	(30)	-	(30)
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(8,687)	8,687	-	-
Distribution to owners						
Dividend-final 2023 @ Rs. 1.5 per share	-	-	-	(94,822)	-	(94,822)
Balance as at December 31, 2023	632,144	2,738,888	2,023,507	6,633,783	2,475,379	14,503,701
Balance as at July 01, 2024 (Audited)	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	-	-	-	1,264,764	(21,978)	1,242,786
Other comprehensive income - net of tax	-	-	-	-	-	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation	-	-	(11,631)	11,631	-	-
NCI recognised during the period	-	-	-	-	385,743	385,743
Distribution to owners						
Dividend-final 2024 @ Rs. 2.5 per share	-	-	-	(158,036)	-	(158,036)
Balance as at December 31, 2024	632,144	2,738,888	2,009,679	8,237,043	2,834,656	16,452,410

The annexed notes 1 to 18 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023
Note	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	2,252,568	1,183,327
Adjustment of non-cash income and expense	959,948	969,757
Operating cash flows before changes in working capital	3,212,516	2,153,084
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	2,539	24,251
Stock in trade	74,270	(41,085)
Trade debts	(573,901)	(403,892)
Loans and advances	214,534	(70,647)
Deposits, prepayments and other receivables	4,812	92,823
Increase / (decrease) in current liabilities:		
Trade and other payables	514,639	(325,038)
	236,893	(723,588)
Cash generated from operations	3,449,409	1,429,496
Finance costs paid	(137,245)	(226,013)
Income tax paid	(643,289)	(366,855)
Payment to SIHL Employees' Gratuity Fund Trust	(144,220)	(93,987)
Compensated absences paid	(47,752)	(36,198)
Payment to defined contribution plan	(46,546)	(41,726)
Net cash generated from operating activities	2,430,357	664,717
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment (PPE)	(862,692)	(356,958)
Outlay against long term investments	(150,000)	(275,000)
Encashment of other financial assets - net	37,848	186,476
Proceeds from disposal of PPE	2,728	15,927
Markup received	92,676	49,869
Increase in advances to suppliers and contractors	(260,445)	-
Increase in long term deposits	(8,021)	(10,129)
Net cash used in investing activities	(1,147,906)	(389,815)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-controlling interest	385,743	-
Long term financing - repayments	(364,645)	(443,385)
Proceeds from long term financing	286,375	179,847
Payment of lease liabilities	(120,628)	(96,666)
Dividend paid	(149,832)	(79,681)
Net cash generated from / (used in) financing activities	37,013	(439,885)
Net increase / (decrease) in cash and cash equivalents	1,319,464	(164,983)
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	274	(14,998)
Cash and cash equivalents at end of the period	3,703,043	2,266,134

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 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 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 centers, 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 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 Shifa International Hospitals Limited, Sector H-8/4, Islamabad. During the prior year, 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 SIX MONTHS PERIOD ENDED DECEMBER 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, 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 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 six months period ended December 31, 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 60% owned (June 2024: 61% owned) and SDSPL 55% owned (June 2024: 55% 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 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.

4.1 Changes in accounting standards, interpretation 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 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.

b) 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 period 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

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, 2024.

		Un-audited December 31, 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	107,953	78,250
Diminishing Musharakah Facility-2	6.3	-	83,333
Diminishing Musharakah Facility-3	6.4	505,216	577,390
Diminishing Musharakah Facility-4	6.5	240,554	-
Islamic Refinance Facility to Combat COVID -19 (IRFCC)	6.6	49,282	69,647
Deferred income - Government grant		2,644	5,341
		51,926	74,988
Islamic Refinance Facility to Combat COVID-19 (IRFCC)	6.7	18,324	22,245
Deferred income - Government grant		2,729	4,073
		21,053	26,318
From conventional banks			
Refinance Facility to Combat COVID-19 (RFCC)	6.8	61,485	78,486
Deferred income - Government grant		8,494	13,329
		69,979	91,815
	6.9	996,681	1,074,951
Less: current portion shown under current liabilities			
From islamic banks		231,151	447,822
From conventional banks		39,984	47,373
		271,135	495,195
		725,546	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 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

- 6.2** This represents the outstanding balance of long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 150.90 million (June 2024: Rs. 119.10 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. 470.20 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 represented the long term Islamic finance facility obtained from Meezan Bank Limited, carrying profit rate at 3 months KIBOR plus 0.85% per annum. The facility with sanctioned limit of Rs. 500 million has been fully repaid on October 01, 2024. The financing was secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the SIHL.
- 6.4** This represents the outstanding balance of long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.40 million (June 2024: Rs. 577.40 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. 451.30 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. 348.70 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. 240.60 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. 140.30 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 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.
- 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 SIHL's effective profit rate along with the recognition of government grant.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

- 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 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 December 31, 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	286,375	216,122
Repayment during the period / year	(364,645)	(881,580)
Balance at end of the period / year	996,681	1,074,951

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. 36.6 million (June 2024: Rs. 33.1 million) on behalf of the SIHL in its ordinary course of business. Additionally, a bank guarantee amounting to Rs. 44.50 million has been issued in favor of the Capital Development Authority (CDA) to secure obligations under the ICT Building Control Regulations – 2020 (Amended 2023) on behalf of SMC Islamabad.

- 7.1.2** The SIHL is facing claims and penalties amounting to Rs. 5.9 million (June 2024: Rs. 22.25 million) after claims of Rs. 16.35 million were set aside by the Honorable Islamabad High Court, Islamabad. Of this amount, the SIHL has paid, under protest, Rs. 1.4 million (June 2024: Rs. 1.4 million) and subsequent to the reporting period the SIHL has paid, under protest, an amount of Rs. 1 million. Additionally, the SIHL has provided bank guarantees totaling Rs. 1.5 million (June 2024: Rs. 1.5 million) in compliance with the directions of the Islamabad High Court. Out of the bank guarantees, a bank guarantee of Rs. 1 million is anticipated to be returned soon, following a favorable order passed by the Islamabad High Court, Islamabad.

These claims and penalties arose from legal proceedings and complaints that are currently under litigation before the Ministry of National Health Services, Regulations, and Coordination (MoNHSRC) Islamabad, as well as the Peshawar and Lahore High Courts and the Supreme Court of Pakistan. Based on the advice of legal counsel, the SIHL's management remains confident of achieving favorable outcomes.

- 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, as per advice of the legal counsel, is confident that a favourable outcome for the GAMCs, including SIHL, will be achieved.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

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

- 7.2.1** The tax authorities amended the assessments for the tax years 2012 to 2016, 2019, 2021 and 2023 under Section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance). They raised total tax demands of Rs. 601.3 million against these years. The SIHL, being aggrieved, appealed these amended assessments before the Commissioner Inland Revenue (Appeals) [CIR(A)] or the Appellate Tribunal Inland Revenue [ATIR], as applicable, on various dates from September 2018 to December 2024. These appeals are currently pending adjudication.
- 7.2.2** The tax authorities imposed taxes of Rs. 109.60 million, Rs. 178.40 million, Rs. 27.40 million, and Rs. 29.20 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, being 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.
- 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. Being 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, being 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 and 2018 under section 177 of the Ordinance, resulting in a tax demand of Rs. 1,143.80 million and Rs. 42.40 million. Being 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 July 24, 2024.
- 7.2.6** The tax authorities imposed sales tax under Section 11 of the Sales Tax Act, 1990, on the alleged non-payment of sales tax on sales of scrap, fixed assets, and cafeteria services for the tax years 2016 to 2020, raising total tax demands of Rs. 225.2 million for these years. Upon appeal, the ATIR deleted the sales tax charged on cafeteria services and fixed assets but confirmed 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
7.3	Commitments		
	Capital expenditure contracted	101,559	294,233
	Letters of credit	107,647	521,187
8	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	8.1 9,744,175	9,871,120
	Capital work in progress	8.2 4,001,015	3,480,040
	Right of use assets	8.3 610,654	509,098
		14,355,844	13,860,258
8.1	Operating fixed assets		
	Written down value at beginning of the period / year	9,871,120	9,890,859
	Additions	8.1.1 341,724	916,142
	Revaluation	-	20,321
	Impairment	-	(4,037)
		10,212,844	10,823,285
	Written down value of disposals	(1,062)	(10,859)
	Written down value of assets written off	(11,729)	(7,168)
	Depreciation for the period / year	(455,878)	(934,138)
	Written down value at end of the period / year	9,744,175	9,871,120
8.1.1	Additions to operating fixed assets		
	Building on leasehold land	26,272	41,844
	Leasehold improvements	-	120,026
	Biomedical equipment	231,711	378,065
	Air conditioning equipment and machinery	10,696	3,623
	Electrical and other equipment	16,307	68,275
	Furniture and fittings	2,823	16,845
	Computer installations	37,241	220,488
	Construction equipment	-	607
	Vehicles	16,674	66,369
		341,724	916,142
8.2	Capital work in progress		
	Balance at beginning of the period / year	3,480,040	3,721,132
	Additions during the period / year	574,432	104,827
	Transferred to operating fixed assets	(53,457)	(345,919)
	Balance at end of the period / year	8.2.1 4,001,015	3,480,040

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
	Note	(Rupees in '000')	
8.2.1 Capital work in progress			
Construction work		3,553,137	3,387,165
Installation of equipment in progress		447,878	92,875
		4,001,015	3,480,040
8.3 Right of use assets			
Balance at beginning of the period / year		509,098	375,485
Additions during the period / year		181,579	293,287
Terminated during the period / year		-	(299)
Depreciation for the period / year		(80,023)	(159,375)
Balance at end of the period / year		610,654	509,098
9 LONG TERM INVESTMENTS			
In associated companies (unquoted):			
SIHT (Private) Limited (SIHT)	9.1	584,594	424,045
Shifa CARE (Private) Limited (SCPL)	9.2	-	-
		584,594	424,045
9.1 SIHT (Private) Limited			
Balance at beginning of the period / year		424,045	-
Investment made during the period / year		150,000	425,000
Share in profit / (loss) for the period / year		10,549	(955)
Balance at end of the period / year		584,594	424,045

This represents investment in 1,797,237 (June 2024: 1,328,397) fully paid ordinary shares of Rs. 100 each of SIHT. The above investment in ordinary shares represents 36% (June 2024: 29.5%) shareholding in SIHT held by the SIHL.

		Un-audited December 31, 2024	Audited June 30, 2024
		(Rupees in '000')	
9.2 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 December 31, 2024 amounted to Rs. 1,751 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Un-audited December 31, 2024	Audited June 30, 2024
	(Rupees in '000')	
10 TRADE DEBTS		
Unsecured - considered good		
Related party - Shifa Foundation	14,031	7,137
Others	2,149,005	1,581,998
	<u>2,163,036</u>	<u>1,589,135</u>
Less: allowance for expected credit losses (ECL)	295,782	242,946
	<u>1,867,254</u>	<u>1,346,189</u>

	Un-audited			
	Six months period ended		Three months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000')			
11 REVENUE - NET				
Inpatient	8,678,648	7,522,748	4,293,088	3,847,100
Outpatient	4,924,089	4,205,616	2,414,237	2,097,965
Other services	420,531	416,511	203,955	194,890
	<u>14,023,268</u>	<u>12,144,875</u>	<u>6,911,280</u>	<u>6,139,955</u>
Less: discount	52,285	76,824	26,102	35,785
Less: sales tax	47,589	43,719	23,152	21,273
	<u>99,874</u>	<u>120,543</u>	<u>49,254</u>	<u>57,058</u>
	<u>13,923,394</u>	<u>12,024,332</u>	<u>6,862,026</u>	<u>6,082,897</u>

	Un-audited	
	December 31, 2024	December 31, 2023
12 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period (Rupees in '000')	1,264,764	728,390
Weighted average number of ordinary shares in issue (Number in '000')	63,214	63,214
Earnings per share - basic and diluted (Rupees)	20.01	11.52

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

13 ADJUSTMENT OF NON-CASH INCOME AND EXPENSE

	Un-audited	
	December 31, 2024	December 31, 2023
	(Rupees in '000')	
Depreciation / amortisation on tangible assets	535,900	529,486
Amortisation on intangible assets	-	743
Expected credit losses	52,836	37,589
Property, plant and equipment written off	11,729	2,521
Gain on disposal of tangible assets	(1,666)	(6,014)
Provision for compensated absences	54,237	38,639
Provision for defined contribution plan	61,635	54,171
Provision for bonus for employees	147,382	91,177
Provision for gratuity	53,150	75,378
Charged / (reversal) of provision for slow moving stores	1,910	(844)
Share of (profit) / loss of associates	(10,549)	6,212
Profit on bank deposits	(80,018)	(35,733)
Gain on investments	(46,971)	(59,067)
(Gain) /loss on foreign currency translation	(274)	14,968
Finance costs	180,647	220,531
	959,948	969,757

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:

	Un-audited	
	December 31, 2024	December 31, 2023
	(Rupees in '000')	
Transactions:		
Shifa Foundation		
(Related party by virtue of common directorship)		
Revenue from medical and other services earned by the SIHL	9,957	7,208
Rent expense paid by and reimbursed to the SIHL	675	752
Acquisition of 468,840 (Dec 2023: 859,545) ordinary shares of SIHT (Private) Limited	150,000	275,000

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Un-audited	
	December 31, 2024	December 31, 2023
	(Rupees in '000')	
Tameer-e-Millat Foundation (Related party by virtue of common directorship)		
Supplies provided to the SIHL	50,439	48,868
Other services provided to the SIHL	14,012	17,028
Rental services received / earned by the SIHL	6,243	3,131
Shifa Tameer-e-Millat University (Related party by virtue of common directorship)		
Revenue from medical and other services earned by the SIHL	15,025	12,668
Revenue from rent earned by the SIHL	2,128	1,935
Other services provided to the SIHL	41,565	46,501
Expenses paid by and reimbursed to the SIHL	2,909	1,405
SIHT (Private) Limited (Associate and common directorship)		
Revenue from medical services earned by the SIHL	359,332	284,461
Expenses paid by and reimbursed to the SIHL	2,479	2,953
Other services provided to the SIHL	3,544	12,813
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	-	1,273
SIHL Employees' Gratuity Fund Trust		
Payments made by the SIHL	144,220	93,987
Remuneration including benefits and perquisites of key management personnel	248,945	201,635
	Un-audited December 31, 2024	Audited June 30, 2024
	(Rupees in '000')	
Balances (unsecured):		
Shifa Foundation - receivable	14,031	7,137
Tameer-e-Millat Foundation - payable	18,601	7,285
Shifa Tameer-e-Millat University - payable	55,539	31,566
SIHT (Private) Limited - receivable	46,414	30,329
SIHL Employees' Gratuity Fund Trust - payable	41,664	132,734

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

Un-audited	
December 31, 2024	December 31, 2023
(Rupees in '000')	
777,834	163,150
2,925,209	2,102,984
3,703,043	2,266,134

15 CASH AND CASH EQUIVALENTS

Investments - at amortized cost
Cash and bank balances

16 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.

17 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 February 22, 2025.

18 GENERAL

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



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