



ANNUAL REPORT 2022





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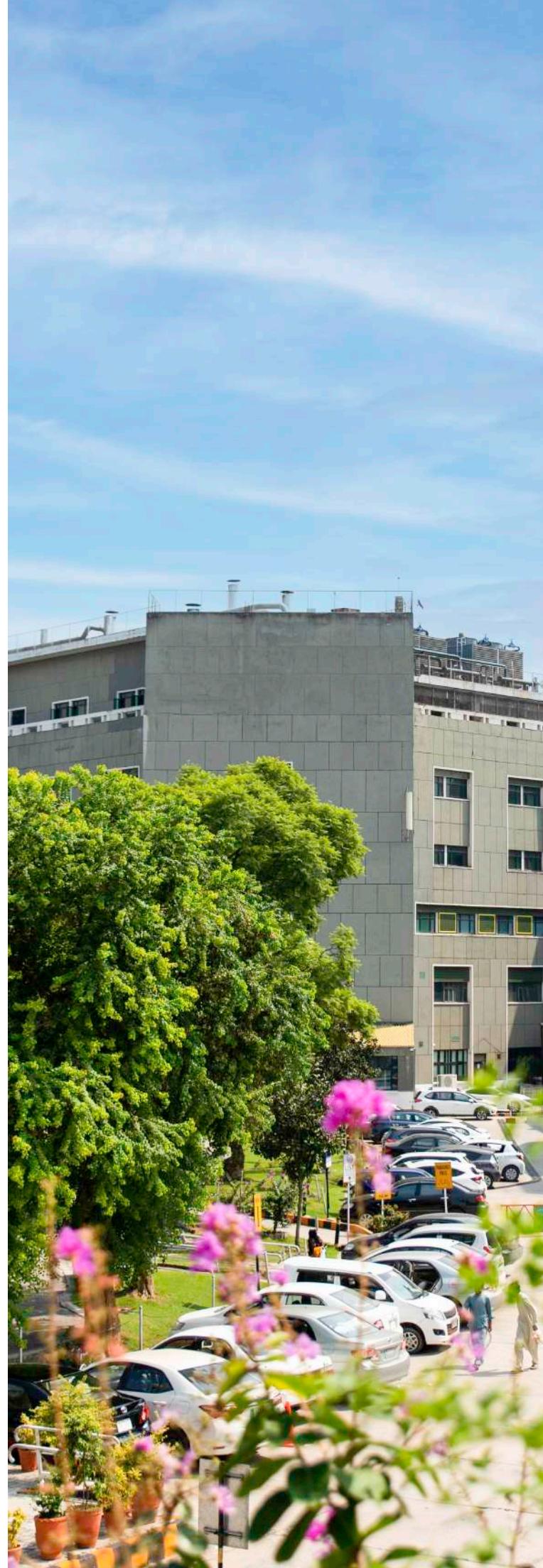
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Proxy Form





OUR MISSION

Healthcare with compassion for all

OUR VISION

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

OUR VALUES

Compassion, Commitment, Teamwork, Quality, Respect and Accountability

OUR STRATEGIC PRIORITIES

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



FINANCIAL HIGHLIGHTS

FOR THE
FINANCIAL YEAR
2022
SIHL ACHIEVED
PROFIT

Rs. 1,163
Million

EARNINGS PER
SHARE
FOR THE FINANCIAL
YEAR ENDED 2022

Rs. 18.39

CONTRIBUTION
TO NATIONAL
EXCHEQUER

Rs. 1,568
Million



DEBT EQUITY RATIO

27: 73

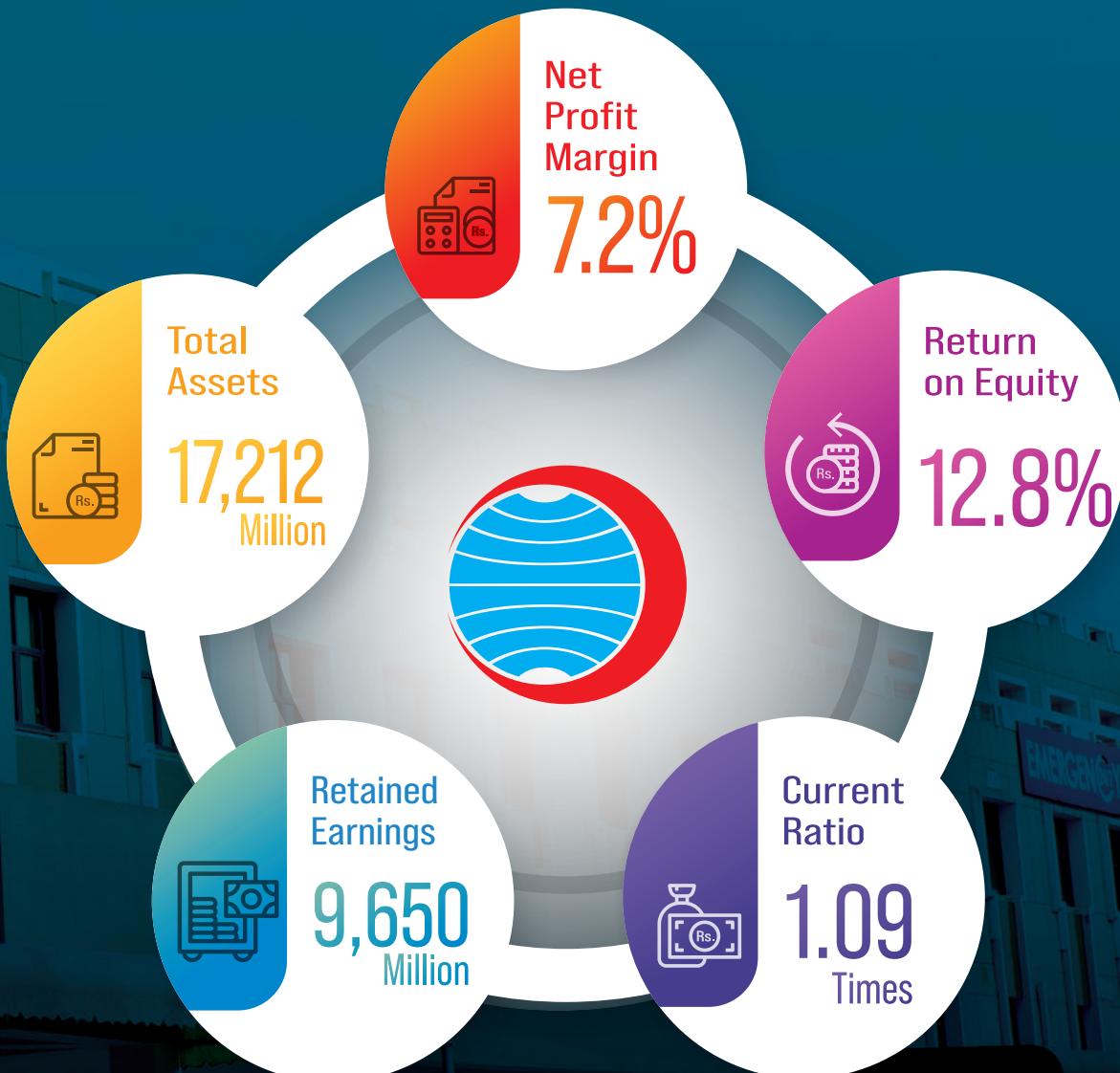
DIVIDEND PAYOUT

30%

(including 15% interim cash dividend)

NET REVENUE INCREASED

14%



COMPANY INFORMATION

Board of Directors

Dr. Habib Ur Rahman

Chairman

Dr. Manzoor H. Qazi

CEO

Mr. Muhammad Zahid

Director

Mr. Qasim Farooq Ahmad

Vice Chairman

Mr. Shafquat Ali Chaudhary

Director

Dr. Samea Kauser Ahmad

Director

Syed Ilyas Ahmed

Independent Director

Prof. Dr. Shoab Ahmed Khan

Director

Dr. Mohammad Naseem Ansari

Independent Director

Mr. Javed K. Siddiqui

Independent Director

Audit Committee

Syed Ilyas Ahmed

Chairman

Dr. Habib Ur Rahman

Member

Dr. Samea Kauser Ahmad

Member

Mr. Javed K. Siddiqui

Member

Human Resource & Remuneration Committee

Syed Ilyas Ahmed

Chairman

Dr. Habib Ur Rahman

Member

Dr. Manzoor H. Qazi

Member

Dr. Mohammad Naseem Ansari

Member

Corporate Governance & Nominations Committee

Mr. Muhammad Zahid

Chairman

Dr. Habib Ur Rahman

Member

Dr. Manzoor H. Qazi

Member

Dr. Samea Kauser Ahmad

Member

Mr. Javed K. Siddiqui

Member

Risk Management Committee

Mr. Qasim Farooq Ahmad

Chairman

Prof. Dr. Shoab Ahmed Khan

Member

Dr. Mohammad Naseem Ansari

Member



Chief Medical Officer

Dr. Zeeshan Bin Ishtiaque

Chief Operating Officer

Mr. Taimoor Shah

Chief Financial Officer

Mr. Shams Ur Rehman Abbasi

Company Secretary

Mr. Muhammad Naeem

Head of Internal Audit

Mr. Muhammad Saeed

Auditors

M/s Grant Thornton Anjum Rahman
(Chartered Accountants)

Legal Advisor

M/s Bashir Ahmad Ansari & Company

Share Registrar

M/s Corplink (Private) Limited

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

Registered Office

Sector H-8/4, Islamabad

Bankers

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





PROFILE OF DIRECTORS

PROFILE OF DIRECTORS



Dr. Habib Ur Rahman
Chairman

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

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

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



Dr. Manzoor H. Qazi
Chief Executive Officer

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

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

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



Mr. Muhammad Zahid
Executive Director

Muhammad Zahid, is also serving as Director on the Boards of all of Shifa's associated and subsidiary companies. He is a healthcare professional with enviable experience, is a founding member of the team that conceived and built Shifa International Hospitals Limited. His association with Shifa dates back to 1985 when a group of Pakistani Americans, mainly healthcare professionals, started developing the idea of a world-class hospitals chain in Pakistan — the country of their origin. Zahid is a graduate of University of Karachi with major in Pharmaceutical Sciences. Later on he graduated from the USA in the discipline of Business Administration & Economics. Zahid's expertise and career encompasses diversified areas including Healthcare Projects, Hospital Management and Leadership Development. He established and successfully ran healthcare related businesses in the USA for over 30 years. Simultaneously he remained associated with the landmark project of Shifa International Hospitals Islamabad; besides his critical role in administration, Zahid had major contribution in the strategic development and growth of the Hospital as a member of the Board of Directors. As a founder member, he closely worked with Center Research Inc. (CRI) — a Princeton, New Jersey based hospital design consultancy firm — to design and develop the initial hospital plan to ensure realization of the founder team's concepts. This involvement continued till the development of a master plan in 1989. Following this, Zahid moved to Islamabad and gave quality input in the development of business processes, procedures, system development in different areas of the hospital and leadership development at different and diversified levels till 1997. His contribution in the development of this new hospital had far-reaching impact on the growth of the organization in the years to come and was highly commended by his colleagues. After playing his part in setting Shifa International Hospitals to a smooth sailing, Zahid returned to the USA in 1997 but always made himself available to the team at Shifa when and where needed to cope with the emerging business challenges. Towards the end of 2014, nevertheless, he bade farewell to his engagements in the USA and again returned to Islamabad at a time when Shifa needed him to explore newer areas and develop new sites. Presently as Executive Director, Zahid looks after the critical areas of Planning, Project and Business Strategy & Development.



Mr. Qasim Farooq Ahmad
Vice Chairman

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

- Shifa CARE (Private) Limited

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

PROFILE OF DIRECTORS



Mr. Shafquat Ali Chaudhary
Non-Executive Director

Mr. Shafquat A. Chaudhary earned a B.Sc. degree in Electrical Engineering from West Pakistan University of Engineering and Technology and an M.Sc. degree in Industrial Engineering from the Polytechnic Institute of Brooklyn, USA in 1973. Though he holds two impressive engineering degrees, he assumed control over his destiny by transforming himself into an entrepreneur. He secured an insurance brokerage license and in 1978 opened Triboro Brokerage Inc. the first taxi medallion and insurance brokerage business owned by a South Asian American. In 1986, he founded Elite Limousine Plus Inc. which today is one of the largest, privately owned, executive transportation companies in the tri-state area and an established leader in developing and applying state-of-the-art technology in this industry. As a true entrepreneur, Mr. Chaudhary over a period of time pursued various other business ventures. However, in 2003, Mr. Chaudhary founded SoundView Broadcasting and expanded into cable and satellite television broadcasting business. Headquartered in Long Island City, NY, SoundView operates a 60,000 SF television facility to provide production, transmission and distribution services for international TV channels originating overseas and broadcast in the United States, Canada and Europe. Currently, SoundView Broadcasting is the exclusive licensee for 15 TV channels that are being transmitted from India, Pakistan, Bangladesh, Africa and France (Paris). Mr. Chaudhary is a founding owner of "AFRO" a black focused, English language mainstream TV Channel which is carried by Comcast on its domestic Digital Tier nationally. He recently started Soundview DAM LLC and got involved in Bitcoin Mining. Mr. Chaudhary still manages to find the time to devote his energies and financial resources to charitable organizations which promote and foster traditional family values and social responsibility. He was the president of the Society for International Help, a U.S. based not for profit organization that through Tameer-e-Millat Foundation operates over 400 schools for poor children in remote areas of Pakistan. He is a shareholder and Director of Shifa International Hospital, Islamabad, Pakistan. In addition, he is a founding shareholder and Director of Sialkot International Airport. He is also the owner and founder of Elite International School, Islamabad.



Dr. Samea Kauser Ahmad
Non-Executive Director

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

- Shifa Development Services (Private) Limited

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



Syed Ilyas Ahmed
Independent Director

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



Prof. Dr. Shoab Ahmed Khan
Non-Executive Director

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

PROFILE OF DIRECTORS



Dr. Mohammad Naseem Ansari
Independent Director

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



Mr. Javed K. Siddiqui
Independent Director

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



CHAIRMAN'S REVIEW



Assalam o Alaikum

We have completed another year under the shadow of Covid19 pandemic with a slew of other negative developments. Thankfully Pakistan and most of the global community is seeing the tail end of this viral catastrophe. Washing away the impact is an uphill battle. At least repeated interruptions of normal healthcare operations seem to be behind us. We will have one less problem as the regional war, currency devaluation, surging inflation, energy crisis and wrecking effect of floods in four provinces destabilise the economic environment.

Our resolve is to provide comfort and care to ailing and suffering population regardless of the magnitude and nature of medical challenges. Shifa team has maintained its focus on professional excellence and maintaining standards while assuring financial sustainability and meeting our obligations to all stakeholders.

We are implementing our renewable energy project to diversify generation and mitigate impact of imported fossil fuel cost. Allah Almighty has rewarded vigilence and intense preventive efforts of facility management team by keeping us safe in the face of repeated heavy downpours. Medical and paramedical staff as well as support departments have braved illness and affliction to keep up services.

As I write these lines our volunteer doctors, nurses, technicians, professionals of Shifa Tameer e Millat University and several thousand staff of Shifa Foundation in South Punjab, Sindh, Balochistan as well as KPK have engaged in relief and rehabilitation work in the service of fellow citizens. May Allah accept their sincere efforts.

I wish to express my heartfelt gratitude to members of Shifa family, Shareholders, bankers, vendors for their hard work and support, to our patients for their trust in these trying times.

Pakistan Zindabad.



DR. HABIB UR RAHMAN

Chairman

Islamabad

September 28, 2022

DIRECTORS' REPORT



The Directors of the Company take pleasure in presenting Annual Report along with financial statements for the year ended June 30, 2022

OPERATING HIGHLIGHTS

During the year under review the operations of Shifa International Hospitals Limited (Shifa/Hospital) translated into an overall revenue increase of 14% as compared to the previous year. Operating costs also increased in the same proportion.

Significant increase in “other income” head is reflection of appreciation of US Dollar against Pak Rupee.

EARNINGS PER SHARE

During the year under review earnings per share increased by 66.12% from Rs. 11.07 to Rs. 18.39.

RETURN TO SHAREHOLDERS

The Directors have recommended a final cash dividend of Rs. 1.50 per share. This is in addition to the interim cash dividend of Rs. 1.50 per share already declared and paid to the shareholders thereby making it a total cash dividend of Rs. 3 per share i.e 30% for the year 2021-22 subject to approval by shareholders in Annual General Meeting of the Company.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

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

Sr. No.	Description	Rs. “in 000”
1	Direct Taxes	405,208
2	Indirect taxes	309,505
3	Tax deducted and deposited from supplies, employees, etc.	852,931
Total		1,567,644

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES, DEVELOPMENT & PERFORMANCE

Like the preceding year, 2021-22 also brought along COVID-19 pandemic as one of the major external challenges which was effectively dealt with by implementing key initiatives and strategies. Alhamdulillah, with a team driven approach and proactive management strategies related to patient accessibility, operations and facility management, Shifa achieved its budgetary targets by catering to healthcare needs of all major patient segments.

Shifa organ transplant services have also shown a remarkable progress in terms of sustainability, success rate, outreach and expansion. This year marked completion of over 350 bone marrow transplants. Shifa BMT is the most affordable private sector program in the country which has been managing most challenging cases in the region. It is also a matter of great pride for the institution that first unique stem cell transplant in Pakistan for Primary Central Nervous System Lymphoma (PCNSL) was performed this year.

Kidney transplant program has completed over 700 procedures since inception for adult and pediatric patients by experts in Transplant Surgery & Urology, Nephrology, Transplant Immunology & Pathology, Cardiology & other cross functional teams.

Shifa International Hospital is also Pakistan's first facility to complete over 1,100 living donor liver transplants this year since start of the program with the success rate comparable to the international standards. Strict adherence to quality guidelines and a multidisciplinary team of specialists make it a leading program.

In continuation of the resolve to invest into latest medical technologies and equipment, a 4D CT Simulator scanner was commissioned this year to provide next level of precision radiotherapy assistance in cancer treatment in addition to the previous capabilities, i.e., 2DRT, 3DCRT, IMRT, intracavitary & interstitial Brachytherapy.



In continuation of building up resource and technical capability to introduce unique and latest treatment innovations, Cardiology department successfully performed live complex multi-vessel angioplasty at "Pakistan Live 2021" by Pakistan Society of Interventional Cardiology. Furthermore, Cardiology department being part of its structural heart disease center has performed multiple complex cardiac interventions with successful outcomes this year.

ENT Department in coordination with a multidisciplinary team of professionals performed a unique procedure of activating an implanted cochlear device in a 3-year-old child. Previously, 1st cochlear implant was performed at Shifa by the same team.

Department of Plastic surgery also launched a state of the art cosmetic suite. The facility is equipped with advanced technology and an experienced team to offer a range of complex aesthetic surgery services to the patients.

To ensure optimum utilization of resources, hospital has been assessing smart and innovative alternatives to scale up efficiency and reduce cost. The project of installing solar panels has been in process to reduce utility costs. A sprinkler irrigation system has also been introduced to conserve water.

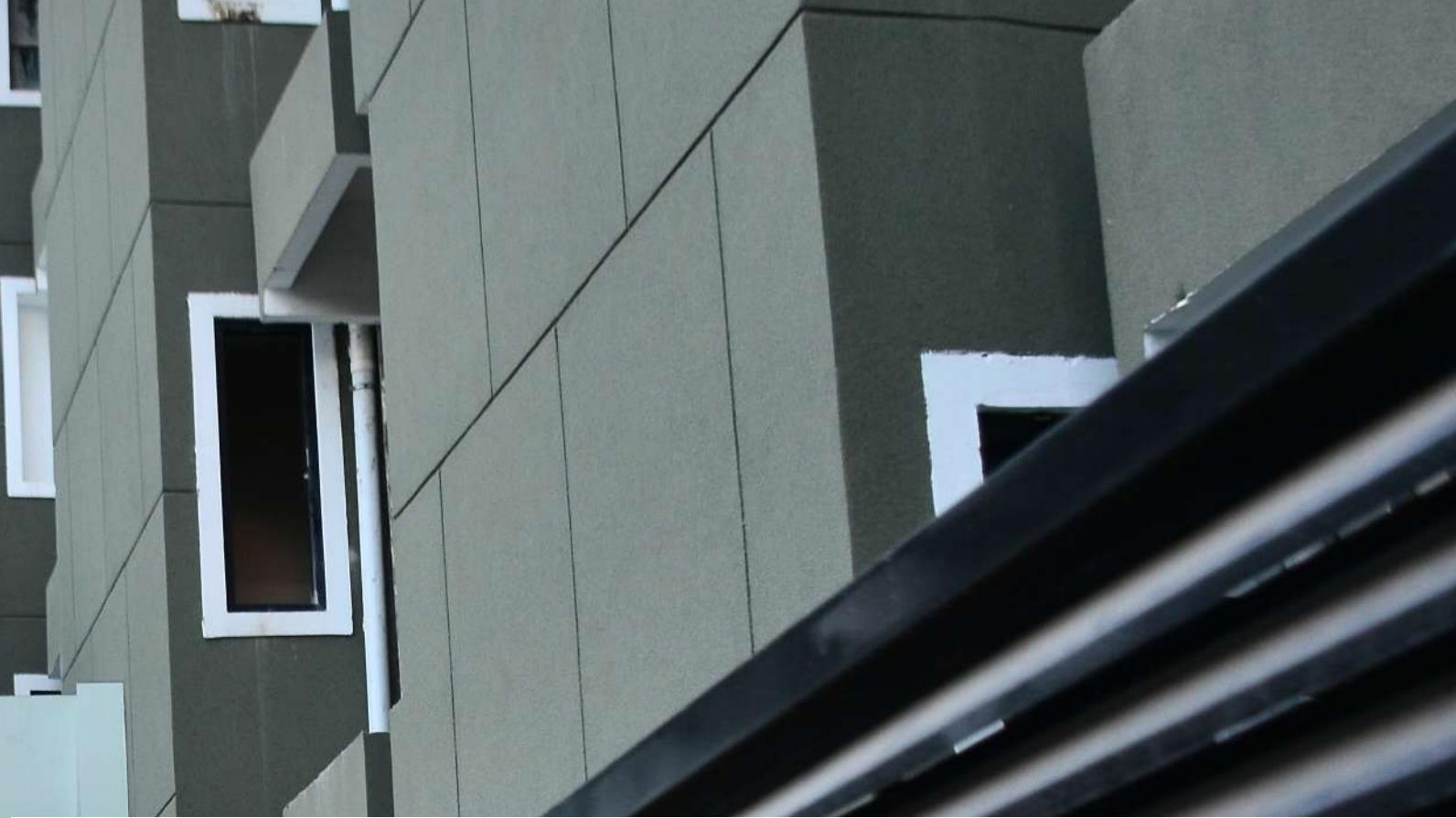
2021-22 also marked start of construction work for Shifa Medical Center Islamabad (Private) Limited, which is a subsidiary of Shifa International Hospitals Limited for which Shifa & Interloop group joined hands to provide quality outpatient, diagnostic and ambulatory surgery care to the patients. The ground breaking ceremony was also held for Shifa National Hospital Faisalabad (Private) Limited to provide quality healthcare services to the residents of Faisalabad and surrounding areas.





DAR UL SHIFA
Shifa Neurosciences Institute

EXIT
←



FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT & PERFORMANCE

Pakistan, being the world's 5th largest nation by population, faces various constraints and limitations to ensure equitable & convenient access of specialized quality healthcare services to the masses. Therefore, many developing countries have adopted Universal Health Coverage (UHC) to provide equitable health coverage to the people in the recent years. The Government of Pakistan has also announced a health card for the entire population of Punjab after piloting that in KPK province. For a corporate healthcare model like Shifa, provision of quality healthcare in compliance with international accreditation standards is cost intensive. However, keeping in view the prevailing trend, provision of healthcare in Pakistan will be impacted by an ongoing partnership between public and private sectors to address the challenges of affordability, and availability of healthcare.

In recent years, Shifa has also adopted a market development strategy of expanding its footprint in major cities within its catchment area through digital means and on-ground presence to emerge as a local healthcare service provider for local communities. As part of the execution, throughout the year specialty OPD clinics are conducted in various cities as multi-specialty consultants visit these cities and examine patients in person.

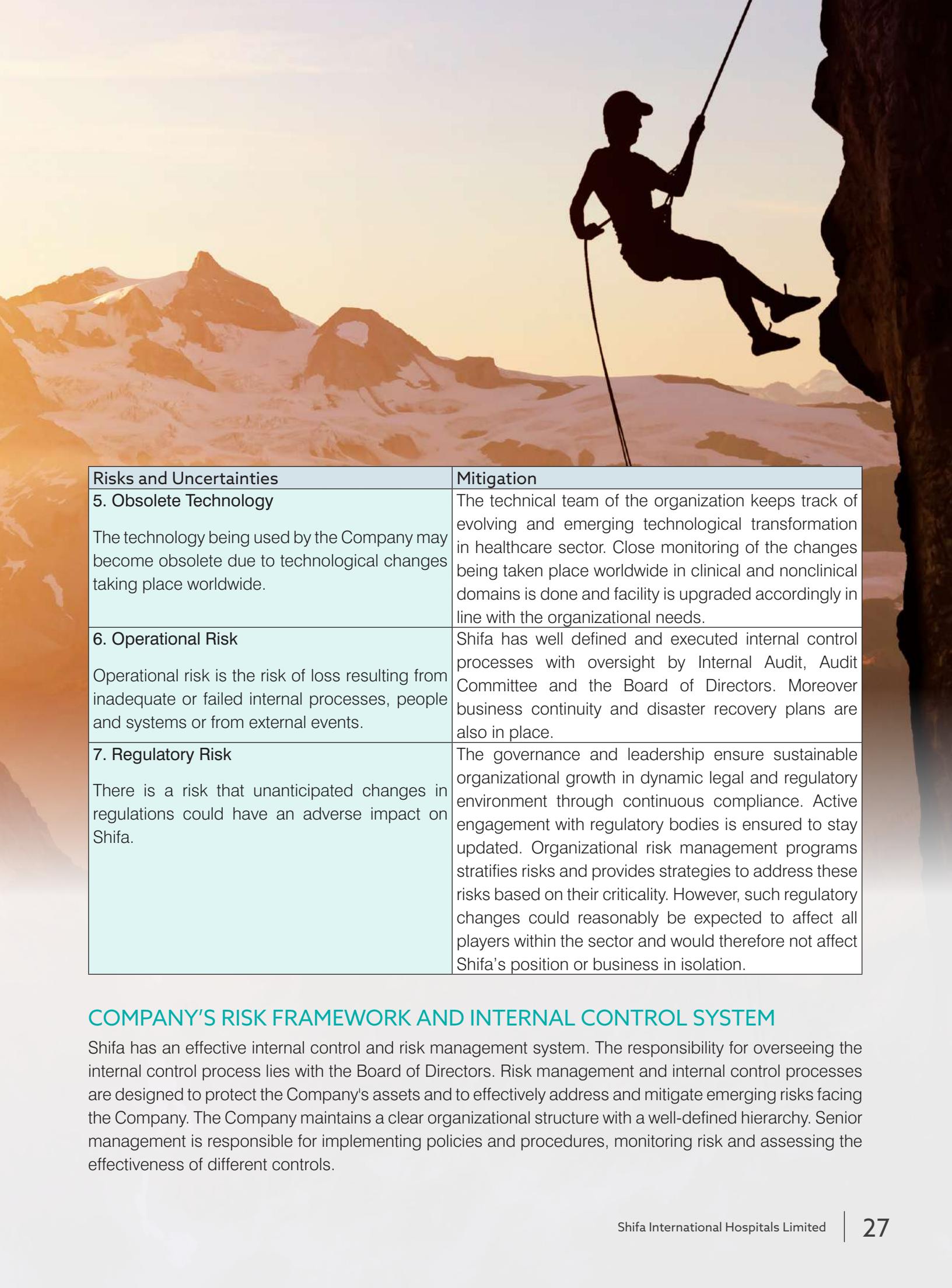
Furthermore, by anticipating the increase in presence of Chinese nationals in Pakistan as part of CPEC projects, efforts are underway to facilitate these patients by establishing Chinese patients' coordination office on the same pattern through which Afghan citizens are facilitated.

With start of Phase 1 of Shifa Neurosciences Institute, the facility infrastructure for various interrelated medical and surgical specialties has been redesigned and revamped to examine and treat patients in a better way. The initiative will help improve patient flow and manage burden during peak hours to ultimately improve patient experience as well.

Sunday OPD clinics is another initiative which was launched recently to not only facilitate patients by offering convenient time slots for OPD consultations but also to better utilize the facility and service provisions during low peak hours.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks and Uncertainties	Mitigation
1. Competition risk The risk of new or existing competitors upgrading their facilities and taking away the clientele.	Shifa is widely recognized as being amongst the top three healthcare facilities in the country. It will require considerable time and financial resources for any new or existing set up to upgrade their facilities to a similar state. Furthermore, Shifa's elaborate base of highly qualified medical professionals is extremely difficult to attain.
2. Exchange Rate risk Foreign exchange exposure might affect the profitability of the Company due to devaluation of local currency.	Diligent forecasting, efficient financial management, prudent and wise operational planning and business growth linked with volume expansion can counter exchange rate risks. Furthermore, the revenues from international business, which are dollar based, only constitute a minor portion of the overall revenue base.
3. Economic Slowdown An economic slowdown affects the business growth and may adversely affect Shifa's growth plans.	Owing to the pure demographics in Pakistan, the healthcare business is protected against an economic slowdown/downturn. There is ample demand for healthcare projects and hence business is likely to continue at a steady pace.
4. Human Resource/Manpower risk There is risk that quality doctors and staff would be difficult to find for new hospitals once they are operational.	Shifa is a JCI accredited hospital therefore the experience earned by doctors at Shifa is recognized internationally. Due to this the risk associated with quality HR services is reduced. Moreover, Shifa is backed by the state of the art Shifa Institute of Medical Technology (SIMT), Shifa Tameer-e-Millat University (STMU) and its constituent colleges which produce quality healthcare personnel to fulfill HR demands.



Risks and Uncertainties	Mitigation
5. Obsolete Technology The technology being used by the Company may become obsolete due to technological changes taking place worldwide.	The technical team of the organization keeps track of evolving and emerging technological transformation in healthcare sector. Close monitoring of the changes being taken place worldwide in clinical and nonclinical domains is done and facility is upgraded accordingly in line with the organizational needs.
6. Operational Risk Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	Shifa has well defined and executed internal control processes with oversight by Internal Audit, Audit Committee and the Board of Directors. Moreover business continuity and disaster recovery plans are also in place.
7. Regulatory Risk There is a risk that unanticipated changes in regulations could have an adverse impact on Shifa.	The governance and leadership ensure sustainable organizational growth in dynamic legal and regulatory environment through continuous compliance. Active engagement with regulatory bodies is ensured to stay updated. Organizational risk management programs stratifies risks and provides strategies to address these risks based on their criticality. However, such regulatory changes could reasonably be expected to affect all players within the sector and would therefore not affect Shifa's position or business in isolation.

COMPANY'S RISK FRAMEWORK AND INTERNAL CONTROL SYSTEM

Shifa has an effective internal control and risk management system. The responsibility for overseeing the internal control process lies with the Board of Directors. Risk management and internal control processes are designed to protect the Company's assets and to effectively address and mitigate emerging risks facing the Company. The Company maintains a clear organizational structure with a well-defined hierarchy. Senior management is responsible for implementing policies and procedures, monitoring risk and assessing the effectiveness of different controls.



BUSINESS EXPANSION

Operationalization of Shifa Neurosciences Institute

Shifa Neurosciences Institute is being established to provide efficient diagnosis and comprehensive care to patients with neurological and associated disorders. As a part of phase 1, operationalization of Shifa Neurosciences Institute in basement and ground floor of Dar-ul-Shifa building has been done. Phase 1 includes shifting of Neurology, Neurophysiology, Psychiatry, Rehabilitation and Pain Clinic with Pharmacy and Radiology services.

Services Expansion

For extended service outreach, consultants conduct virtual consultations for convenience of remote patients besides increase in Lab Pickup Points and Pharmacy Points to facilitate patients. Our future plan is to generate 100 percent prescription from EMR and implement it throughout the hospital subsequently.



EMPLOYMENT OF SPECIAL PERSONS

The organization recognizes that it has clear obligations towards all its employees and the community at large to ensure that differently-abled people are offered equal opportunities to enter employment and progress within the organization. Currently 22 differently-abled staff are employed in the organization.

BUSINESS ETHICS & ANTI-CORRUPTION MEASURES

- Anti-corruption is not only a legal obligation but also an ethical stance for Shifa International Hospitals Limited. The Company realizes that corruption is a threat to its business and the society.
- All Shifa employees are responsible for understanding the legal and ethical issues that affect Company's business and for acting with integrity at all times.
- Company's zero tolerance for corruption and ethical standards are set out in the company's Code of Conduct, which is approved by the Board and implemented in the Company. Top-level commitment is indispensable for establishing a transparent and enterprise-wide culture that contests corruption. The Company management transmits clear and regular messages to all stakeholders including staff, suppliers and business partners that corruption is intolerable. Furthermore, top Management has responsibility to act as good role models and to build a transparent culture.



ENERGY CONSERVATION

Following are the ongoing and future energy conservation projects:

PV Solar System

Shifa has planned to install inexhaustible, renewable power source of PV Solar System of up to 1.5 MW Capacity. The solar energy generation project is an effort towards energy decarbonization and sustainable energy generation that will reduce dependency on natural gas and diesel. Currently 60% of the project work has been completed and project injection has ensued.

Installation of Energy Monitoring System

Energy Monitoring System hardware has been installed comprising of 98 energy analyzers strategically placed in different high electricity consumption areas to identify and mitigate power consumption by taking power conservation measures. 90% of the project work has been completed.



Electricity Conservation Through Load Mitigation

Shifa has planned to conserve electricity by reducing up-time of Chiller systems used for HVAC in different areas of the hospital where occupancy is reduced during off-peak times. The expected conservation is 550,000 units of electricity per annum.

ENVIRONMENTAL PROTECTION MEASURES.

Shifa is committed to follow and implement legal and other guidelines to ensure environmental conservation and sustainability. Environmental monitoring is carried on quarterly basis to ensure conformance with the NEQS.

Environmental Monitoring and Legal Compliance

- a. Ongoing environmental monitoring as per Self-Monitoring and Reporting Tool (SMART) Program, EPA, compliance with National Environmental Quality Standards, (NEQS) and guideline is ensured for Indoor Air Quality, Stack Emission Monitoring, Drinking Water Analysis, (Potable/Non-Potable), Wastewater Analysis, Legionella, Distilled Water, Ash Analysis, and Surface Swab
- b. Boilers Inspection as per Boiler Ordinance 2002

- c. Radiation Safety Inspection: Implementation of PNRA regulatory Requirements
- d. Inspection of Electrical Installation as per Electricity Act 1937
- e. Monthly Waste Report Submission to Pak-EPA as per HWMR, 2005

In-house Environmental Monitoring

Ongoing in-house monitoring is performed throughout the hospital for parameters including Metrological Parameters, Oxygen, LEL, CO₂, CO, Light, Noise, Formaldehyde, TVOC, Electrical Conductivity, Salinity, TDS, Microbial Water Quality to ensure environmental safety and hence staff, patients, attendants and visitors safety.

Water Sprinkler System

Shifa ensures sustainable management and use of water through conservation practices. Sprinkler Irrigation system has been installed in Shifa Greens to conserve water up to 40%.

The project has resulted in conserving 22 million liters per annum.

Installation of Bag House Filtration System

Bag House Filtration (BHF) System has been installed in Incinerator as an Air Pollution Control System. BHF works on the phenomenon of Physical filtration for efficient removal of fly Ash and Soot from Stack Emission.

THE IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT.

Shifa adopts environmental stewardship through various environmental conservation measures for socially conscious and sustainable business practices. These practices include, Mercury Substitution, Liquid Waste Treatment, Air Emission Controls, Hazardous Waste Management, Energy Conservation Practices and Waste Minimization.

CONSUMER PROTECTION MEASURES:

Facility Management:

i. Air and Oxygen Purity Analysis

Oxygen & Air purity analysis has been performed in critical areas including ICU, NICU and OR. Analysis report demonstrates compliance as per the standard requirements.

ii. Drinking Water Treatment Plant

Installation and Commissioning of Drinking Water Treatment Plant of 1,000 Liters/hr to cater the needs of potable drinking water. The treated Drinking Water complies to PSQCA (Pakistan Standards for Quality Control Authority) for bottled drinking water.

iii. 3rd Party Safety Inspection

3rd Party safety Inspection of boilers and elevators is carried out to ensure compliance with safety standards.

iv. Facility Inspection Rounds

Environmental Rounds are also conducted on weekly basis covering Facility Management & Safety elements, potential risks associated with patient safety, environment and regulatory requirements throughout the facility as per yearly environmental round schedule.

v. Emergency Lighting

Over 2,000 Emergency LED lights have been installed throughout the hospital with a designated UPS that can provide uninterrupted backup of up to 8 hours in case of power breakdown.

OCCUPATIONAL SAFETY AND HEALTH.

i. ISO 45001:2018

1st Surveillance audit conducted by SGS on "Occupational Health & Safety Management System" of Shifa International Hospitals Ltd. Islamabad as per International Organization for Standardization Standard 45001:2018

ii. Occupational Health Monitoring

Ongoing health surveillance is being conducted for staff working in critical areas i.e., Incinerator Staff and Radiation Department Staff, Food Handler besides color blind test for plumbing staff and hearing test for power house staff.





iii. Disaster Management

Hospital wide risk assessment is performed hazard vulnerability analysis. Drills are conducted to prepare staff for desired response in case of emergency. Hospital Incident command system (HICS) has been established with necessary accessories.

iv. Capacity Building of Staff on Occupational Health and Safety which includes Disaster Management, Safety Management, Hazmat & Waste Management, Utilities Management, Medical Technology Management, Fire Safety Management, Internal and External Emergencies etc.

SAFETY AND SECURITY

The safety and security of patients, visitors, staff and students is of paramount importance. Security staff deployed in three Layers:

- Outer perimeter and Gates:** Gates are manned where personnel and vehicles are checked as per the level of security alert.
- Middle Layer – Hospital Entrances:** Entrances are manned by deployment of male & female guards where personnel and materials are checked.
- Inside the Hospital and Top of the Roof:** Wards are manned by deployment of male & female guards as per the level of security alert. Wards and other unmanned areas are electronically controlled and monitored by surveillance staff. For deterrence, Armed guards are deployed at the top of roof and watch tower on boundary wall.

Sensitive areas are identified and security is ensured through patrolling and CCTV cameras. Access to these areas is limited and restricted by RFID devices.

CORPORATE PHILANTHROPY

During the reporting period, our social arms not only assisted thousands of needy people through food assistance, clean drinking water supply and treatment services at Shifa International Hospital but also enhanced coordination with potential donors like OGDCL, Rawalpindi Chamber of Commerce and Industry (RCCI), Islamabad Chamber of Commerce and Industry (ICCI), Save Mart Group, Medina Cash and Carry, Grana Group, Rotary Club Islamabad Metropolitan and Rawalpindi Chamber of Commerce and Industry.

- Shifa Foundation (SF) supported underprivileged communities in Sindh through reducing malnutrition in the communities. During the reporting year, a total of 138,778 beneficiaries including 36% pregnant women, 19% lactating women, 24% girls and 21% boys were treated/assisted.
- To strengthen Department of Health and reduce Vitamin A deficiency in Pakistan, SF trained District Focal Persons (DFPs) of Departments of Health.
- Through nutrition specific programs in different parts of the country total 188,321 PLW and 632,591 children were screened, 114,563 children were referred to health facilities for

immunization, 217481 children were dewormed and 23,484 beneficiaries were reached out through awareness campaigns.

- During the COVID-19, SF also considered mental health and enhanced capacity of health staff, stabilized COVID-19 affected population and frontline workers through intensive therapies, specialized MHPSS services in Karachi.
- SF worked on COVID-19 advocacy to sensitize communities and support government in mass awareness regarding COVID-19 Test & Treat in remote areas.
- To discourage corporal punishment in schools and enhance interactive relationship between teachers and children, SF trained teachers.
- SF established Early Warning System in district Badin and trained communities to help save precious lives and reduce the impact of seasonal floods.
- To support vulnerable communities, SF distributed food packages among 1,187 families (8,309 beneficiaries) through its Feed the Poor Program. Provided clean drinking water to 1,490 families (9,955 beneficiaries) through installation of hand pumps. Provided advance level treatment services to 109 patients at Shifa.





Access to quality education is fundamental to the growth of Pakistan, and Shifa strongly believes that. In the 35 years since its founding, Tameer-e-Millat Foundation (TMF), a sister charity organisation, has been supporting the education of underprivileged children by partnering with other NGOs and working at the grassroots level. Their main focus is on inclusive and quality education for all and transforming lives through affordable quality education (primary, secondary and higher secondary), women empowerment, skills development and relief & rehabilitation efforts.

Under this initiative, during the reporting period, TMF has:

- Provided basic literacy and life skills to more than 15,000 children across 51 schools & colleges in 24 districts across all five provinces of Pakistan. These initiatives have positively impacted 0.61 million beneficiaries (Primary = 97,600, Secondary = 451,400, Higher Secondary = 53,800, Technical = 7,200) of which 48% were boys, and 52% were girls.
- Provided need-based sponsorship and financial support to 50% students to pursue education. More than half of these were girls, while 20% were orphans.
- Provided employment to 700+ teachers of which 86% were females. More than 60 teacher training sessions were held in schools enabling & strengthening their capacity to apply techniques and modern pedagogy strategies.
- Organised tree plantation drives in their schools in order to sensitize students towards the need to preserve our environment and ecology. A total of 1000+ trees were planted.
- Conducted 300+ dengue awareness sessions in their schools in an effort to prevent its spread after the monsoon season.
- Donated 10,000 library books to their schools and equipped labs with 50 computers and science equipment.
- Conducted interactive school-based hand washing hygiene awareness programs in all their schools.
- Played its role to aid in the emergency relief and rehabilitation efforts. The main focus of TMF was to sponsor the orphans and the affected families, rebuild infrastructure and provide ration and clean drinking water. The total beneficiaries aided in this year's floods were approximately 200,000 in Sindh & Baluchistan and continues to grow.



CODE OF CONDUCT



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

WHISTLE BLOWING POLICY



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

GRIEVANCE POLICY



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



AWARDS AND RECOGNITION



Shifa Life Support Training Center recognized as American Heart Association (AHA) Official Training Centre

Established under the umbrella of Shifa Center of Professional Excellence SCOPE, the Shifa Life support training (LiST) center strives to provide the complete suite of Emergency Cardiovascular and Cardio-Pulmonary Resuscitation efforts including Heartsavers, Basic Life Support – BLS, Advanced Cardiovascular Life Support – ACLS, and Pediatric Advanced Life Support – PALS trainings.

LiST has a vision to empower medical professionals and deliver enhanced patient care by imparting critical Emergency Cardiovascular Care (ECC) and Cardio Pulmonary Resuscitation (CPR) education at the highest standards. Essential Life Support Training services are being provided to medical practitioners across healthcare institutes throughout the country.



Accreditation by Accreditation Council for Continuing Medical Education (ACCME)

Shifa has been reviewed by the Accreditation Council for Continuing Medical Education (ACCME) and awarded provisional Accreditation for two years as a provider of continuing medical education (CME) for physicians. Accreditation in ACCME system seeks to assure the medical community and the public that Shifa Foundation delivers education that is relevant to clinicians' needs, evidence based, evaluated for its effectiveness, and independent of commercial influence.

Fire Safety Award by National Forum for Environment and Health

SIH won “11th Fire Safety Award” by national forum of environment and health and by fire protection association of Pakistan (FPAP) in recognition of best practices and compliance with relevant fire safety standard codes.



ICCI 5th Business Excellence Award

Shifa International Hospital has been awarded as a Highest Healthcare Employment Generator in the region by Dr. Arif Alvi (President of Islamic Republic of Pakistan) at Aiwan-e-Sadar during 5th Business Excellence Award ceremony by Islamabad Chamber of Commerce and Industry on 21st July, 2022. The role of Shifa was appreciated as a responsible employer who has been providing equal employment opportunities and representation to all segments of the society on the basis of merit and transparency along with empowering women to pursue their professional career in a safe and conducive environment (35% of the total work force).

Management Association of Pakistan's 36th Corporate Excellence Awards

Shifa International Hospitals Ltd. (SIH) has achieved the 8th consecutive Corporate Excellence award in the healthcare sector by the Management Association of Pakistan (MAP). Shifa International Hospital won the award for having the best corporate and governance practices in the healthcare sector.





BOARD OF DIRECTORS

The total number of Directors of the Company are 10 as listed below:

- a. Male: Nine (09)
- b. Female: One (01)

The Board derives its powers and obligations from various provisions contained in the Memorandum & Articles of Association of the Company, Companies Act, 2017 ("the Act"), Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code") and other relevant laws. The Board met six (06) times during the year ended June 30, 2022.

The Board is comprised of three independent, two executive and one female director as follows:

Category	Names
Independent Directors	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
Non-Executive Directors	Dr. Habib Ur Rahman Mr. Shafquat Ali Chaudhary Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad Prof. Dr. Shoab Ahmed Khan
Executive Directors	Dr. Manzoor H. Qazi Mr. Muhammad Zahid

In compliance with the non-mandatory provisions contained in the Code regarding diversity in the Board, the Company's Board consists of three Medical Doctors, two IT Professionals, three Pharmacists, one Businessman and a Chartered Accountant.

BOARD AUDIT COMMITTEE

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

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

All members of BAC are highly qualified individuals. BAC met eight times during the year under review.

The Terms of Reference (ToRs) of the BAC were framed in line with the provisions contained in the Code and the BAC functions accordingly. The ToRs include developing systems to achieve the objective of safeguarding Company assets, ensuring adequate accounting records, internal control & risk management, regulatory & legal compliance, reviewing the periodic financial statements, etc. The list of ToRs is not exhaustive though and BAC may consider any other issue or matter as may be assigned by the Board to achieve the overriding objective i.e. of safeguarding the Company's interest.

The observations/recommendations of BAC are conveyed to the Board by the Chairman of BAC. Besides its periodic meetings, BAC also met once with the External Auditors without the presence of Head of Internal Audit & CFO and once with Head

of Internal Audit without the presence of CFO & External Auditors.

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

* Mr. Qasim Farooq Ahmad was inducted in the HR & R Committee on September 28, 2022

ToRs require the HR & R Committee to work for the primary objective of considering remuneration packages needed to attract and retain executive directors and other senior employees in line with the market practices, regulatory provisions and interest of the stakeholders. Other significant terms require that majority of the HR & R Committee members shall be non-executive directors including an independent director. Similarly, the Chairman of the HR & R Committee shall be an independent director.

The HR & R Committee functions in accordance with approved ToRs. The HR & R Committee met twice during the year under review.



CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

The Corporate Governance & Nominations (CG & N) Committee is composed of the following members:

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

The ToRs of the CG & N Committee list a number of things, nevertheless, the primary objective of the CG & N Committee is to review the structure, size and composition of the Board and its committees taking into account changing environment & geographical expansion and making recommendations to the Board with regard to changes, if necessary, and to monitor corporate and regulatory compliance.

During the year under review one meeting of the Committee was held.

RISK MANAGEMENT COMMITTEE

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

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

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

One meeting of the RMC was held in the year under review.





FREQUENCY & ATTENDANCE OF BOARD & AUDIT COMMITTEE MEETINGS

During the year under review, six (06) and eight (08) meetings of the Board of Directors and the Audit Committee, respectively, were held through video link and in person. The attendance of the Directors is as under:

Name of Director	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended
Dr. Habib Ur Rahman	6	8
Dr. Manzoor H. Qazi	6	N/A
Mr. Muhammad Zahid	6	N/A
Mr. Shafquat Ali Chaudhary	3*	N/A
Mr. Qasim Farooq Ahmad	6	N/A
Dr. Samea Kauser Ahmad	6	8
Syed Ilyas Ahmed	6	8
Prof. Dr. Shoab Ahmed Khan	6	N/A
Dr. Mohammad Naseem Ansari	6	N/A
Mr. Javed K. Siddiqui	6	8

*Leave of absence was granted to Mr. Shafquat Ali Chaudhary who could not attend some of the Board meetings due to his commitments abroad.

DIRECTORS' REMUNERATION

The Board of Directors of the Company approves and fixes the remuneration of the Board members in accordance with the Articles of Association of the Company, the Act and the Code. The details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. have been disclosed in note no. 36 of the Financial Statements.

BOARD EVALUATION

As per the requirements of the Code, the Board annually conducts self-evaluation of its performance which covers structure & characteristics of the Board, roles & responsibilities, relationship with management and hospital specific measures, etc. The overall performance of the Board remained good, determined on the basis of approved criteria.



TRADING OF SHARES

During the year, one of the Company's Directors and Executive traded a total of 80,181 Company's shares. Whereas bonus shares were announced by the Company and accordingly shareholding of directors/executives and major shareholders was increased by 2%.

Besides this, no other trading was performed by the Directors, Executives, their spouses and minor children. The Pakistan Stock Exchange is regularly updated on trading of Company's shares by management employees.

PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2022 was 2,340 as against 2,408 on June 30, 2021. The pattern of shareholding as at June 30, 2022 is included in this Annual Report.

Additional information regarding pattern of shareholding is annexed to this report.

DIRECTORS' TRAINING PROGRAM

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

The detail of the certified directors is as under:

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

The non-mandatory criteria laid down under sub-regulation 19(1) (iii) of the Code could not be met for two Directors as they were overseas and due to the difference in time zones could not carry out the DTP.

Moreover, the Company also arranged DTP for one female executive as required under the sub-regulation 19 (3) (i) of the Code.

CORPORATE BRIEFING SESSION

After the introduction of new reforms by the Pakistan Stock Exchange encouraging sound corporate governance practices and in compliance with the mandatory requirement of holding corporate briefing by listed companies, a Corporate Briefing Session was held through video link for the investors and Shareholders of the Company on October 29, 2021. A detailed presentation was given on the Company's performance and financial results for the year ended June 30, 2021 followed by a brief on the Company's future plans by the management of the Company. The management satisfactorily answered all the questions and queries raised by the participants during the session.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors hereby confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and the Code for the following matters:

- i. The Financial Statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- ii. Proper books of accounts of the Company have been maintained as required by the Companies Act, 2017.
- iii. Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.

vi. There has been no material departure from the best practices of Corporate Governance, as detailed in the Code.

vii. There are no significant doubts upon Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

All the related party transactions have been approved by the Board of Directors in accordance with the Company's policy on the related party transactions. The Company maintains a complete record of all such transactions, along with the terms and conditions. The disclosure of such related party transactions has been given at note no. 35 of the Financial Statements.

GRATUITY FUND

Note 10.4 of the notes to the Financial Statements reflects the value of investment of gratuity fund account.

MATERIAL CHANGES

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

STATUTORY AUDITORS OF THE COMPANY

The Company wishes to place on record its appreciation for the services rendered by the Company's retiring auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants, who have completed the audit of financial statements of the Company for the year ended June 30, 2022. The Board of Directors, as desired by the shareholders and recommended by the Audit Committee, has proposed the appointment of M/s BDO Ebrahim & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2023.



SUBSIDIARY/ASSOCIATED COMPANIES

As on June 30, 2022 the detail of the subsidiary/associated undertakings of the Company along with percentage shares held in each subsidiary/associated undertaking is as under:

Sr. No.	Name of the Company	Status	% Shares held by Shifa
1.	Shifa Development Services (Pvt.) Limited	Subsidiary	55%
2.	Shifa CARE (Pvt.) Limited	Associated	50%
3.	Shifa Medical Center Islamabad (Pvt.) Limited	Subsidiary	56%
4.	Shifa Neuro Sciences Institute Islamabad (Pvt.) Limited	Wholly Owned Subsidiary	100%
5.	Shifa National Hospital Faisalabad (Pvt.) Limited	Subsidiary	60%
6.	Shifa International DWC-LLC	Wholly Owned Subsidiary	100%

UPDATE OF SUBSIDIARY / ASSOCIATED COMPANIES

Shifa Development Services (Pvt.) Limited (SDS)

The principal activity of SDS is to provide project development and management services. During the financial year SDS has expanded its project portfolio & pipeline, and also increased its operational capabilities.

Despite the economic uncertainty, the significant increase in revenue in 2021-22 and number of long term projects have a positive impact on the longer term outlook, growth and sustainability of the SDS. Additionally, the post-covid desire to invest in healthcare has increased throughout the region and the sector has the potential to outpace general economic growth over the next 5 years. SDS is uniquely positioned to participate in that growth.

Shifa CARE (Pvt.) Limited (SCPL)

SCPL is a technology development company having the capability to transform healthcare products utilizing latest trends in information and communication technologies.

During the year under review, the SCPL has completed three sub modules of hospital supply chain management system and remaining modules and related required integration shall be completed in the next year.

Shifa Medical Center Islamabad (Pvt.) Limited & Shifa National Hospital Faisalabad (Pvt.) Limited

The construction of both projects remained in progress during the year under review. Activities are progressing as per the scope of work and projects' strategy. Construction project manager has mobilized qualified supervision teams equipped with cloud-based project management information systems to ensure the execution conforms to the scope, schedule, budget, and quality parameters set by the sponsors of both projects.

However, the projects are facing a cost escalation due to high inflation, rupee-dollar parity etc. The Company is contemplating and exploring different options to fund the cost escalation and will revert to the shareholders at an appropriate time for their approval as and when required.

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

The principal activity of the SNSI 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.

During the year under review, SNSI has earned rental income from its building leased out to the Shifa to operate it as Shifa Neuro Sciences Institute in the existing building.

Shifa International DWC-LLC (SIDL)

The principal activity of SIDL which it may perform under the license issued by the Dubai Aviation City Corporation is marketing and project management services.

SIDL is engaged in negotiating and facilitating Shifa for executing agreements with insurance companies generally with GCC countries and particularly in UAE for referring patients to Shifa and it also promote the services being provided by Shifa in the GCC countries and in this regard conduct CMEs, workshops, marketing campaigns etc.

OPERATING & FINANCIAL DATA

Summary of key operating and financial data of last six years has been annexed to this report.

COMPANY'S WEBSITE

The Company's official website can be accessed at www.shifa.com.pk.



FUTURE BUSINESS OUTLOOK

Services Expansion

Chemo Daycare Expansion

Shifa has decided to expand the chemo daycare center for administration of chemotherapy drugs and associated services. The reorganization plan includes the relocation of chemo day care center from A-3 to B-0 with an increase in treatment chairs from 18 to 32 and extended operational hours from 16 to 24. The vacant area of A-3 Chemo Daycare would be subsequently utilized for the establishment of 02 semi-private and 03 private beds adding 09 Beds to the existing total beds of the hospital.

Gastro OPD Expansion

The existing gastro clinic is planned to be expanded to serve more patients with comprehensive diagnosis, treatment, and prevention of liver and stomach disorders for a large population of patients.

Endoscopy Suites and Recovery Area Expansion

To improve patient facilitation and operational efficiency, space optimization for endoscopy suites has been made part of the expansion and reorganization plan. In this regard, Power House and LT panel room has been dismantled and relocated from C-0 to vacate the area for relocation of gastro clinics with larger footprint. In the subsequent phase, the vacant area of existing gastro clinics (D-0) will be entirely used for Endoscopy suites and recovery area in addition to existing suites. The reorganized area encompasses Endoscopy suites, Endoscopy ultrasound and ERCP suites.

Surgical Clinic Expansion

Surgical care is globally considered as a crucial component of healthcare. The dire need for surgical intervention for public health continues to rise as the incidences of traumatic injuries, cancers, and cardiovascular disease continue to grow. Surgical services at SIH are aimed to expand to better deliver quality care across a wide range of surgical specialties under the supervision of a multidisciplinary team and a collaborative approach to quality patient care. As a part of expansion, the existing clinic area would protrude further in the vacant area of rehab department.





Medical Oncology Clinic Expansion

With an emerging and potentially significant health burden of cancer in Pakistan, it is anticipated that this burden will increase in the times to come due to growing and aging population, behaviors and lifestyle factors that leads to cancer. In pursuance to the growing concern, an add on medical oncology clinic is planned to be established in vacated pain clinic area (shifted to DUS). This expansion initiate would be a step toward catering growing oncology patients in the hospital including breast cancer, skin cancer, lung cancer, colon cancer, prostate cancer, and lymphoma.

Nephrology OPD Clinic Expansion

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

Technological Advancement

The evolving healthcare digitalization has transformed the healthcare landscape and changed ways on how healthcare providers, payers and patients interact among each other, exchange medical data, and make treatment and outcome-related decisions. Shifa is striving towards Artificial intelligence based powered medical devices to enable the novel concept of Tele ICUs in Pakistan where ICU intensivists can remotely monitor the critical patients by leveraging indigenous expertise, technology and intense collaboration with IT solution providers. Moreover, Shifa is successfully operating the services of telemedicine, Teleconsultation, remote patient monitoring and is committed towards advancing the patient convenience employing IOMT.





ACKNOWLEDGMENT

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

On behalf of the Board



DR. MANZOOR H. QAZI

Chief Executive Officer



MUHAMMAD ZAHID

Director

ISLAMABAD

September 28, 2022

Directors' Report in Urdu



امراض گردہ کے کلینک (میفر ولوجی) میں توسعی گردے کی بائیوپھی سے لے کر علاج معالجے کے جدید طریقوں تک شفا گردے کے مریضوں کو بے مثال طبی خدمات فراہم کرنے کے لیے ہمیشہ پر عزم ہے۔ اس سلسلے میں، نیفر ولوجی اور پی ڈی کلینک کو مریضوں کی سہولت کے لئے نیورولوجی کلینک کی جگہ توسعی دینے کا منصوبہ ہے جو دارالشفاء میں منتقل ہو گیا ہے۔

میکنا لوجیکل ایڈو انسٹریٹ

شعبہ صحت کی ارتقا پذیر ڈیکھیلا نیشن نے صحت کی دلکشی بھال کے انداز کو تبدیل کر دیا ہے۔ ٹیکنالوچر کی پیش رفتون نے صحت کی دلکشی بھال فراہم کرنے والے اداروں، ادا کرنے والوں (انشورنس وغیرہ) اور مریضوں کی ایک دوسرے سے تعامل، طبی معلومات کا تبادلہ کرنے اور علاج اور نتائج سے متعلق فنیلے کرنے کے طریقوں کو تبدیل کر دیا ہے۔ شفا پاکستان میں ٹیکنالوچر کی خدمت کے تصور کو ممکن بنانے کے لئے مصنوعی ذہانت پر منی چلنے والے طبی آلات کے لئے کوشش ہے جہاں انہائی نگہداشت کے ماہرین (ٹیکنیسپوٹ) مہارت، ٹیکنالوچر اور آئی ٹی حل فراہم کرنے والوں کے ساتھ فعال تعاون سے فائدہ اٹھاتے ہوئے نازک مریضوں کی دور راز سے نگرانی کر سکتے ہیں۔ مزید برا آش فاٹیلی میڈیس، ٹیکنسلیشن، ریبوٹ پیشٹ مانیٹر گن کی خدمات کامیابی کے ساتھ چلا رہی ہے اور آئی ایم ٹی کو استعمال کرتے ہوئے مریضوں کی سہولت کو آگے بڑھانے کے لیے پر عزم ہے۔

اعتراف

بوروڈ تام چلنجوں کے باوجود ہموار اور مستقل معیار کی صحت کی دلکشی بھال فراہم کرنے کے لیے ان کی ایشک کوششوں کے لیے، کنسلٹنٹ، میجنٹ اور عملے کی تہہ دل سے تعریف کرتا ہے۔ بوروڈ شیئر ہولڈر رز، بیکر رز، مریضوں اور ریگولیٹر زکا بھی شکریہ ادا کرتا ہے کہ انہوں نے مسلسل اعتماد اور ہماری کارروائیوں میں مدد کی۔

Mrs. Zahra

جناب محمد زاہد
ایگریکیوڈ ارکیٹر

نیٹر مارکس

ڈاکٹر منظور ایچ قاضی
چیف ایگزیکٹو آفیسر

اسلام آباد
28 ستمبر 2022ء

کمپنی کی ویب سائٹ

کمپنی اپنی سرکاری ویب سائٹ www.shifa.com.pk پر قابل رسمائی ہے۔

مستقبل کا کاروباری منظر نامہ

خدمات کی توسعے

ڈے کیسر کیوٹھر اپی میں توسعے

شفاء نے کیوٹھر اپی ادویات اور متعلقہ خدمات کے انتظام کے لئے کیوڈے کیسر سینٹر کو وسعت دینے کا فیصلہ کیا ہے۔ تنظیم نو کے منصوبے میں کیوڈے کیسر سینٹر کو اے ٹھری سے بی زیر و میں منتقل کرنا شامل ہے جس سے علاج کی نشتوں میں 18 سے 32 تک اضافہ اور آپریشن دوڑانیہ بھی 16 سے 24 گھنٹوں تک بڑھایا گیا ہے۔ اے ٹھری کیوڈے کیسر کے خالی علاقے کو بعد میں 2 سیکنڈ پر ایجیٹ اور تین پر ایجیٹ بیڈز کے قیام کے لئے استعمال کیا جائے گا جس میں اسپتال کے موجودہ کل بستروں میں 9 بستروں کا اضافہ ہو جائے گا۔

کیسر و اپی ڈی کی توسعے

موجودہ گیسر و کلینک کو توسعے پیانے پر تشخیص، علاج، اور مریضوں کی ایک بڑی تعداد کے عوارض کی روک تھام کے ساتھ زیادہ سے زیادہ مریضوں کی خدمت کرنے کے لئے توسعے دینے کی منصوبہ بندی کی گئی ہے۔

ایندھن و سکوپی سوٹس اور ریکورڈی ایریا کی توسعے

مریضوں کی سہولت اور آپریشن کا رکرداری کو بہتر بنانے کے لئے ایندھن و سکوپی سوٹس کے لئے جگہ بڑھائے کو توسعے اور تنظیم نو کے منصوبے میں شامل کیا گیا ہے۔ اس سلسلے میں پاورہاؤس اور ایل ڈی پینکل روم کو ختم کر کے C-0 سے منتقل کر دیا گیا ہے تاکہ گیسر و کلینکس کی منتقلی کے لیے جگہ خالی کی جاسکے۔ اگر حالے میں، موجودہ گیسر و کلینکس (D-0) کی خالی جگہ کو مکمل طور پر موجودہ سوٹس کے علاوہ ایندھن و سکوپی سوٹس اور ریکورڈی ایریا استعمال کیا جائے گا۔ تنظیم نو شدہ جگہ میں ایندھن و سکوپی سوٹس، ایندھن و سکوپی اثر اساؤنڈ اور ای آری پی سوٹس شامل ہیں۔

سرجیکل کلینکس کی توسعے

جراجی کی دیکھ بھال کا اہم جزو سمجھا جاتا ہے۔ پبلک ہیلتھ کے لئے جراجی کی مداخلت کی شدید ضرورت بڑھتی جا رہی ہے کیونکہ تکلیف دہ چٹوں، کینسر اور دل کی بیماری کے واقعات میں اضافہ ہوتا جا رہا ہے۔ شفاء میں سرجیکل سروز کا مقصد کیسر شعبہ جاتی ٹیم کے باہمی تعاون کی اپروچ کے تحت مریضوں کو جراجی کی معیاری اور توسعے خدمات کی فراہمی اور دیکھ بھال کو بہتر بنانا ہے۔ توسعے کے طور پر موجودہ سرجیکل کلینکس کو روپری ہسپیلیٹیشن کلینک کے خالی علاقے میں توسعے دی جائے گی۔

میڈیکل آنکولو جی کلینک کی توسعے

بڑھتی ہوئی اور عمر سیدہ آبادی، طرزِ علی اور طرزِ زندگی کے عوامل کی وجہ سے آنے والے وقوں میں پاکستان میں کینسر شعبہ صحت پر مکمل طور پر ایک بڑا بوجھ ہو گا۔ اس بڑھتی ہوئی نشویں کے پیش نظر میڈیکل آنکولو جی کلینک کو پین (درد) کلینک کی خالی کردہ جگہ میں توسعے دینے کا منصوبہ بنایا گیا ہے جو دارالفنون میں منتقل ہو گیا ہے۔ یہ توسعے ہسپتال میں بڑھتے ہوئے آنکولو جی کے مریضوں کی ضرورت پورا کرنے کی طرف ایک قدم ہو گا جن میں چھاتی کے کینسر، جلد کے کینسر، بڑی آنت کے کینسر، پھیپھڑوں کے کینسر، پروٹیٹ کینسر اور لمفو ما کے مریض شامل ہیں۔

ہے اور آپریشنل صلاحیتوں میں بھی اضافہ کیا ہے۔

غیر یقینی اقتصادی صورتحال کے باوجود 2021-22 میں آمدی میں نمایاں اضافہ اور طویل مدتی منصوبوں کی تعداد نے ایس ڈی ایس کے طویل مدتی امکانات، ترقی اور استحکام پر غلبہ اڑالا ہے۔ مزید برآں کو ڈاکٹر کے بعد صحت کی دیکھ بھال میں سرمایہ کاری کرنے کی خواہش پرے خطے میں بڑھ گئی ہے اور یہ شعبہ اگلے 5 سالوں میں عام معاشی نمو کو چیچھے چھوڑنے کی صلاحیت رکھتا ہے۔ ایس ڈی ایس نمو میں حصہ لینے کے لئے منفرد پوزیشن میں ہے۔

شفا کیسر (پارائیویٹ) لمبینڈ

شفا کیسر ایک ٹیکنالو جی ڈیلپمنٹ کمپنی ہے جو انفارمیشن اور مو اصلاتی ٹیکنالو جیز میں تازہ ترین رجحانات کا استعمال کرتے ہوئے صحت کی دیکھ بھال کی مصنوعات کو تبدیل کرنے کی صلاحیت رکھتی ہے۔

زیر جائزہ سال کے دوران ایس سی پی ایل نے ہاسپیس سپلائی چین میجنٹ سسٹم کے تین ذیلی ماڈیولز کو مکمل کر لیے ہیں اور بقیہ ماڈیولز اور متعلقہ مطلوبہ انعام اگے سال میں مکمل کر لیا جائے گا۔

شفا میڈیکل سینٹر اسلام آباد (پارائیویٹ) لمبینڈ اور شفا نیشنل ہسپتال فیصل آباد (پارائیویٹ) لمبینڈ

دونوں منصوبوں کی تعمیر زیر جائزہ سال کے دوران جاری رہی۔ کام کے دائرہ کار اور منصوبوں کی حکمت عملی کے مطابق سرگرمیاں آگے بڑھ رہی ہیں۔ تعمیراتی پروجیکٹ میں نجربے کا ڈاکٹر میڈ

پروجیکٹ میجنٹ انفارمیشن سسٹم سے یہ اہل نگران ٹیوں کو متحرک کیا ہے تاکہ اس بات کو تینی بنا یا جائے کہ دونوں منصوبوں پر پیش رفت پاسرزاں کے مقرر کردہ شیڈول، بجٹ اور معیار کے مطابق رہے۔

تاہم افراد از ری میں اضافے، روپے اور ڈالر کی تدریں فرق وغیرہ کی وجہ سے ان منصوبوں کو لاگت میں اضافے کا سامنا ہے۔ کمپنی لاگت میں اضافے کے لئے مختلف امکانات تلاش اور ان پر غور کر رہی ہے اور ضرورت پڑنے پر ان کی منظوری کے لئے مناسب وقت پر شیئر ہو لڈر رز سے رجوع کرے گی۔

شفا نیوروسائنس اسٹیویٹ اسلام آباد (پارائیویٹ) لمبینڈ

شفا نیوروسائنس اسٹیویٹ کی بنیادی سرگرمی تیخیصی مراکز، کلینیکس، لیبارٹریز، آپریشن ٹھیئریز، ڈیپل کلینیکس، ہیلتھ کیسر سینٹر سمیت جدید ترین نیوروسائنس اسٹیویٹ کا قیام، چلانا، کنٹرول، انتظام کرنا اور مختلف بیماریوں میں صحت کی دیکھ بھال اور جراحی سے متعلق تمام سہولیات فراہم کرنا، مرضیوں اور آٹ پیشہ خدمات اور وائز، بیکٹیریل اور داگی بیماریوں کا علاج اور اس سے متعلق دیگر تمام متعلقہ خدمات فراہم کرنا ہے۔

زیر نظر سال کے دوران، ایس ایں آئی نے موجودہ عمارت میں نیوروسائنس کی خدمات چلانے کے لئے شفا کو لیز پردو گئی اپنی عمارت سے کرائی کی آمدی حاصل کی ہے۔

شفا نیشنل ڈی ڈیلیوی - ایل ایل

ایس آئی ڈی ایل کی بنیادی سرگرمی جو یہ ڈی ایوی ایشن سٹی کا پوریشن کے جاری کردہ لائنس کے تحت انجام دے سکتی ہے، مارکینگ اور پروجیکٹ میجنٹ سروہز ہیں۔

ایس آئی ڈی ایل عام طور پر بھی سی ممالک اور خاص طور پر متحده عرب امارات میں انفورمیشن کمپنیوں کے ساتھ مریضوں کو شفا بھینجنے کے لئے معہدیوں پر عمل درآمد کے لئے شفا کے ساتھ بات چیت اور سہولت فراہم کرنے میں مصروف ہے۔ یہ جی سی سی ممالک میں شفا کی طرف سے فراہم کی جانے والی خدمات کی پرموشن کا کام کرتی ہے اور اس سلسلے میں سی ایم ایز، ورکشاپ اور مارکینگ کی سرگرمیوں وغیرہ منعقد کرتی ہے۔

آپریٹنگ اور فناش ڈیٹا

پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا اس سالانہ پورٹ کے ساتھ مسک ہے۔

ڈائریکٹر پورٹ

متعلقہ پارٹی سے لین دین/معاملات

تمام متعلقہ پارٹی لین دین کو بورڈ آف ڈائریکٹر نے متعلقہ پارٹی لین دین سے متعلق کمپنی کی پالیسی کے مطابق منظور کیا ہے۔ کمپنی اس طرح کے تمام لین دین کا بمحض اکٹ وضوابط مکمل ریکارڈ رکھتی ہے۔ اس طرح کے متعلقہ پارٹی لین دین کو مالیاتی گوشاروں کے نوٹ نمبر 35 پر ظاہر کیا گیا ہے۔

گریجویٹی فنڈ

مالیاتی گوشارے کا نوٹ 10.4 گریجویٹی فنڈ اکاؤنٹ کی سرمایہ کاری کی قدر کی عکاسی کرتا ہے۔

بڑی تبدیلیاں (میٹر میل چینج)

30 جون 2022 کے بعد سے رپورٹ کی تاریخ تک کوئی بڑی تبدیلی آئی ہے نہیں کمپنی نے اس عرصے کے دوران کوئی ایسی مکٹنٹ کی ہے، جس سے اس کی مالی پوزیشن پر مخفی اثر پڑے۔

کمپنی کے قانونی آڈیٹر

کمپنی میسرز گراؤنڈ تھارنٹن ایم جم جان، چارڑا کاؤنٹی کی خدمات کے لیے اپنی تحسین ریکارڈ پر لانا چاہتی ہے جنہوں نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشاروں کا آڈیٹ کیا۔

حصہ داران کی خواہش اور آڈیٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹر نے میسرز بی ڈی او ایم ایڈ کمپنی، چارڑا کاؤنٹی کو 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے ہیروئی آڈیٹر کے طور پر تجویز کیا ہے۔

ذیلی اور مسلک کمپنیاں

30 جون 2022 تک کمپنی کے ذیلی ادارے/ اس سے وابستہ اٹریکٹر کی تفصیل کے ساتھ ساتھ ہر ذیلی کمپنی/ اس سے وابستہ اٹریکٹر میں رکھے گئے فیصلہ شیرے زکی تفصیل درج ذیل ہے۔

نمبر شار	کمپنی کا نام	نوعیت	شفا امنیشل ہسپتال لمبیڈ کے حصہ (فیصد)
1	شفا ڈاپلپمنٹ سروسز (پرائیویٹ) لمبیڈ	ذیلی کمپنی	55
2	شفا کیئر (پرائیویٹ) لمبیڈ	مسلسل کمپنی	50
3	شفا میڈیکل سینٹر اسلام آباد (پرائیویٹ) لمبیڈ	ذیلی کمپنی	56
4	شفا نیوروسائنسیٹیوٹ اسلام آباد (پرائیویٹ) لمبیڈ	کلی ملکیت ذیلی کمپنی	100
5	شفا نیشل ہسپتال فیصل آباد (پرائیویٹ) لمبیڈ	ذیلی کمپنی	60
6	شفا امنیشل ڈی ڈیسوی - ایل ایل سی	کلی ملکیت ذیلی کمپنی	100

ذیلی اور مسلک کمپنیوں پر اپ ڈیٹ معلومات

شفا ڈاپلپمنٹ سروسز (پرائیویٹ) لمبیڈ

شفا ڈاپلپمنٹ سروسز کی بنیادی سرگرمی پر اجیکٹ ڈی ڈیسویٹ اور انتظامی خدمات فراہم کرنا ہے۔ مالی سال کے دوران ایس ڈی ایس نے اپنے پروجیکٹ پورٹ فولیواور مکانہ بنس میں توسعہ کی

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

- 1 ڈاکٹر عبیب الرحمن
- 2 ڈاکٹر منظور ابیق قاضی
- 3 جناب محمد زاہد
- 4 ڈاکٹر سمیعہ کوثر احمد
- 5 سید ایاس احمد
- 6 پروفیسر ڈاکٹر شعباے خان
- 7 ڈاکٹر محمد نسیم انصاری
- 8 جناب جاوید کے صدقی

کوڈ کی غیر لازمی ذیلی دفعہ (iii) (1) کی تعییں نہ ہوئی کیونکہ دو ڈائریکٹر یہ دن ملک تھے اور ٹائم زون کے فرق کی وجہ سے ڈائریکٹر کے ترینی پروگرام میں شرک نہ ہو سکے۔ مزید رہ آں، کمپنی نے کوڈ کے ذیلی ضابط (i) (3) کے تقاضے کے مطابق اس سال کے دوران ایک خاتون ایگریکٹور کے لیے ڈائریکٹر کے ترینی پروگرام کا بھی اہتمام کیا۔

کارپوریٹ بریفنگ سیشن

پاکستان اسٹاک ایچیجنگ کی جانب سے کارپوریٹ گورننس کے مضبوط طریقوں کی حوصلہ افزائی کے لیئے اصلاحات متعارف کرائے جانے کے بعد اور لندن کمپنیوں کی جانب سے کارپوریٹ بریفنگ کے انعقاد کی لازمی شرط کی تعییں میں 29 اکتوبر 2021 کو کمپنی کے سرمایہ کاروں اور حصہ داران کے لیے ویڈیو ٹنک کے ذریعے کارپوریٹ بریفنگ سیشن کا انعقاد کیا گیا۔ سال 2021 کے لئے کمپنی کی کارکردگی اور مالی تباہ پر ایک تفصیلی پرینٹیشن دی گئی جس کے بعد کمپنی کی انتظامیہ کی طرف سے کمپنی کے مستقبل کے منصوبوں پر بریفنگ دی گئی۔ انتظامیہ نے سیشن کے دوران شرکاء کی جانب سے اٹھائے گئے تمام سوالات کے تسلی بخش جوابات دیے۔

ڈائریکٹر کی ذمہ داری کا یہاں

- ڈائریکٹر زورج ذیل امور کے لئے سیکریٹریز اینڈ ایچیجنگ کمیشن آف پاکستان (ایس ای سی پی) کے کارپوریٹ اور فناش روپورٹ فیم ورک اور کوڈ کی تعییں کی تصدیق کرتے ہیں۔
- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے کاروباری معاملات، نقدی گوشوارے آپریشن کے متانگ اور ایکیوٹی میں تبدیلی کی اصل حالت کو پیش کر رہے ہیں۔
- کمپنیز ایکٹ 2017 کے تقاضے کے مطابق کمپنی کے کھاتے باقاعدگی سے تیار کئے جاتے ہیں۔
- مالیاتی گوشواروں کے تیار کرنے میں مسلسل مناسب پالیسیوں کا اطلاق کیا گیا ہے سوائے اکاؤنٹنگ پالیسیوں میں تبدیلی کے جن کا ذکر مالیاتی گوشواروں کے نوٹ نمبر پر کیا گیا ہے اور اکاؤنٹنگ تھمینیوں کی بنیاد مناسب اور انسمندانہ فیصلے ہیں۔
- مالیاتی گوشواروں کے بنائے میں، پاکستان میں قابل عمل بین الاقوامی اکاؤنٹنگ معیارات کو ملکی خاطر رکھا گیا ہے۔
- اندر وی فنٹرول کا نظام، بہترین خدو خال پر بنایا گیا اور موثر طور پر لاؤ گیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- لسٹنگ ضوابط کے مطابق کارپوریٹ گورننس کے بہترین طریقوں کو مدنظر رکھتے ہوئے ان سے روگردانی نہیں کی گئی۔
- چلتے ہوئے کاروباری ادارہ کے طور پر کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شہہات نہیں پائے گئے۔

ڈائریکٹر زر پورٹ

لا گنیں	6	ڈاکٹر منظور اپنے قاضی
لا گنیں	6	جناب محمد زاہد
لا گنیں	*3	جناب شفقت علی چوہدری
لا گنیں	6	جناب قاسم فاروق احمد
8	6	ڈاکٹر سمیعہ کوثر احمد
8	6	سید الیاس احمد
لا گنیں	6	پروفیسر ڈاکٹر شعیب احمد خان
لا گنیں	6	ڈاکٹر محمد نیم النصاری
8	6	جناب جاوید کے صدیق

*جناب شفقت علی چوہدری کو بیوں ملک ذاتی مصروفیات کی وجہ سے چند بورڈ میٹنگز میں شامل نہ ہونے پر رخصت دی گئی۔

ڈائریکٹر کا معاوضہ

کمپنی کا بورڈ کمپنی کے قواعد و ضوابط کمپنیز ایکٹ اور کوڈ کی روشنی میں بورڈ ممبران کے معاوضے کی منظوری اور تعین کرتا ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹر کے معاوضے کی علیحدہ علیحدہ تفصیل بشمول تجوہ افیس فوائد اور کارکردگی سے متعلق مراعات مالی گوشوارے کے نوٹس میں نوٹ نمبر 36 میں فراہم کی گئی ہے۔

بورڈ کی کارکردگی کی جائیج

کوڈ کے تقاضے کے مطابق کمپنی کا بورڈ سالانہ اپنی کارکردگی کا خود جائزہ لیتا ہے جس میں بورڈ کی ساخت اور خصوصیات، کردار اور ذمہ داریاں، کمپنی کی انتظامیہ کے ساتھ تعلقات اور ہبہ تال کے حوالے سے مخصوص اقدامات وغیرہ شامل ہیں۔ بورڈ کی مجموعی کارکردگی اچھی رہی جس کا تعین منظور شدہ معیار کی نیاد پر کیا گیا ہے۔

حصص کی تجارت

زیر جائزہ سال کے دوران کمپنی کے ایک ڈائریکٹر اور ایگزیکٹو نے کل 80,181 حصص کی تجارت کی۔ اس کے علاوہ بنس شیئرز دیے جانے کی وجہ سے ڈائریکٹر، ایگزیکٹو اور بڑے شیئر ہولڈرز کے حصص میں دو فیصد کا اضافہ ہوا۔ اس کے علاوہ ڈائریکٹر، ایگزیکٹو اور نابالغ بچوں نے کمپنی کے حصص کی تجارت نہیں کی۔ پاکستان اسٹاک ایچیجن کو انتظامیہ اور ایسپلائز کی حصص کی تجارت پر باقاعدگی سے اپڈیٹ کیا جاتا ہے۔

شیئر ہولڈنگ کا پیٹرین

30 جون 2022 کو کمپنی کے حصہ داران کی تعداد 2340 تھی جبکہ 30 جون 2021 کو یہ تعداد 2408 تھی۔ 30 جون 2022 کا شیئر ہولڈنگ کا پیٹرین اس سالانہ رپورٹ کے ساتھ متعلق ہے۔

ڈائریکٹر کا ٹریننگ پروگرام

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

5.جناب قاسم فاروق احمد * ممبر، ڈائریکٹر

*جناب قاسم فاروق احمد کو 28 ستمبر 2022 کو کمیٹی برائے انسانی وسائل و معاوضہ میں شامل کیا گیا۔

کمیٹی کے ٹی اور آر ز کا مقصد یہ ہے کہ کمیٹی مارکیٹ کے رواج، ریگولیٹری دفعات اور سینک ہولڈرز کے مفاد کے مطابق ایگزیکٹو ائریکٹرز اور دیگر سینئر ملازمین کو راغب کرنے اور نسلک رکھنے کے لئے درکار معاوضے کے پکھر پر غور کرے۔ دیگر اہم شرائط کا تقاضا ہے کہ کمیٹی کی اکثریت نان ایگزیکٹو ائریکٹرز پر مشتمل ہو جن میں ایک آزاد ائریکٹر بھی شامل ہو۔ اسی طرح کمیٹی کا چیئر مین ایک آزاد ائریکٹر ہو۔ کمیٹی منظور شدہ ٹی اور آر ز کے مطابق کام کرتی ہے۔ زیرجائزہ سال میں کمیٹی کے دو اجلاس منعقد ہوئے۔

کارپوریٹ گورننس اور نامزدگی کمیٹی

کارپوریٹ گورننس اور نامزدگی کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

1.جناب محمد زاہد چیئر مین، ایگزیکٹو ائریکٹر

2.ڈاکٹر حبیب الرحمن ممبر، نان ایگزیکٹو ائریکٹر

3.ڈاکٹر منظور ایچ قاضی ممبر، ایگزیکٹو ائریکٹر

4.ڈاکٹر سمیحہ کوثر احمد ممبر، نان ایگزیکٹو ائریکٹر

5.جناب جاوید کے صدیق ممبر، آزاد ائریکٹر

اس کمیٹی کے ٹی اور آر ز میں متعدد کاموں کا ذکر ہے تاہم کمیٹی کا نیادی مقصد بدلتے ہوئے ماحول اور جغرافیائی توسعے کے پیش نظر بورڈ اور اس کی کمیٹیوں کے ڈھانچے، سائز اور ساخت کا جائزہ لینا ہے اور اگر ضروری ہو تو تبدیلیوں کے حوالے سے بورڈ کو سفارش کرنا ہے۔ اس کے علاوہ کارپوریٹ اور ریگولیٹری قیمتیں کی نگرانی کرنا ہے۔ زیرجائزہ سال کے دوران اس کمیٹی کا ایک اجلاس منعقد ہوا۔

رسک میجنٹ کمیٹی

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

1.جناب قاسم فاروق احمد چیئر مین، نان ایگزیکٹو ائریکٹر

2.پروفیسر ڈاکٹر شعیب احمد خان ممبر، نان ایگزیکٹو ائریکٹر

3.ڈاکٹر محمد نسیم انصاری ممبر، آزاد ائریکٹر

رسک میجنٹ کمیٹی کے ٹی اور آر ز کے نمایاں پہلو رسک میجنٹ کے طریقہ کار کے موثر ہونے کا جائزہ لینا، کمپنی کو درپیش خطرات کی اشاندی کرنا اور بورڈ کو پورٹ پیش کرنا ہے۔ زیرجائزہ سال میں کمیٹی کا ایک اجلاس ہوا۔

بورڈ اور آڈٹ کمیٹی کے اجلاسوں کی تعداد و حاضری

زیرجائزہ سال کے دوران، بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے بالترتیب چھ (06) اور آٹھ (08) اجلاس آئے سامنے اور ویڈیو انک کے ذریعے منعقد ہوئے۔

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

ڈائریکٹر کا نام	بورڈ میئنگز میں شرکت کی تعداد	آڈٹ کمیٹی میں شرکت کی تعداد
ڈاکٹر حبیب الرحمن	6	8

ڈائریکٹر پورٹ

نان ایگزیکٹو ڈائریکٹر	ڈاکٹر حبیب الرحمن جناب شفقت علی چوہدری جناب قاسم فاروق احمد ڈاکٹر سمیعہ کوثر احمد پروفیسر ڈاکٹر شعیب احمد خان
ایگزیکٹو ڈائریکٹر	ڈاکٹر منظور ایچ قاضی جناب محمد زاہد

بورڈ میں تنوں کے حوالے سے لیٹ پینیز (کوڈ آف کار پوریٹ گورنن) ریگولیشنز، 2019 ("کوڈ") میں شامل غیر لازمی دفعات کی تعییں، کمپنی کا بورڈ تین ڈاکٹروں، دو آئی ٹی پروفیشنلز، تین فارماسٹوں، ایک برنس مین اور ایک چارٹرڈ اکاؤنٹنٹ پر مشتمل ہے۔

بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی دو نان ایگزیکٹو اکاؤنٹنٹ اور دو آزاد ڈائریکٹر پر مشتمل ہے۔

1. سید الیاس احمد چیئرمین، آزاد ڈائریکٹر

2. ڈاکٹر حبیب الرحمن ممبر، نان ایگزیکٹو ڈائریکٹر

3. ڈاکٹر سمیعہ کوثر احمد ممبر، نان ایگزیکٹو ڈائریکٹر

4. جناب جاوید کے صدیق ممبر، آزاد ڈائریکٹر

آڈٹ کمیٹی کے تمام ارکان انتہائی قابل افراد ہیں۔ آڈٹ کمیٹی کا اجلاس سال میں آٹھ بار ہوا۔

آڈٹ کمیٹی کے "حوالے کی شرائط" (لی اور آر ز) کوڈ میں موجود دفعات کے مطابق بنائے گئے تھے اور کمیٹی ان کے مطابق کام کرتی ہے۔ کمیٹی کے اٹھاؤں کی حفاظت، مناسب اکاؤنٹنگ ریکارڈ ٹینکنی بناانا، اندر وی کنشروں اور رسک میجنٹ، ریگولیٹری اور قانونی تقاضوں کی تعییں کے علاوہ وقاونو قائم مختلف دورانیے کے مالی گوشواروں کا جائزہ لینے کے مقصد کے لئے نظام کی تکمیل شامل ہیں۔ یہ ہرست مکمل نہیں ہے اور کمپنی کے مفادات کی حفاظت کے نبادی مقصد کو حاصل کرنے کے لیے کسی دوسرے منسلک یا معاہدے کو آڈٹ کمیٹی خود دیکھتی ہے یا بورڈ کی طرف سے تفویض یا کام کیا جاسکتا ہے۔

آڈٹ کمیٹی کے مشاہدات / سفارشات کمیٹی کے چیئرمین بورڈ کو پہنچاتے ہیں۔ اپنے معمول کے اجلاؤں کے علاوہ آڈٹ کمیٹی ایک بار سی ایف اور ہیڈ آف انٹرل آڈٹ کی موجودگی کے بغیر بیرونی آڈیٹر کے ساتھ ملی اور ایک بار ہیڈ آف انٹرل آڈٹ کے ساتھ سی ایف اور بیرونی آڈیٹر کی موجودگی کے بغیر ملی۔

کمیٹی برائے انسانی وسائل و معاوضہ

کمیٹی برائے انسانی وسائل و معاوضہ میں درج ذیل ارکان ہیں:

1. سید الیاس احمد چیئرمین، آزاد ڈائریکٹر

2. ڈاکٹر حبیب الرحمن ممبر، نان ایگزیکٹو ڈائریکٹر

3. ڈاکٹر منظور ایچ قاضی ممبر، ایگزیکٹو ڈائریکٹر

4. ڈاکٹر محمد نجم انصاری ممبر، آزاد ڈائریکٹر

• ایک یہ یشن کو نسل فارکنیو گن میڈیا یکل ایجکیشن (اے سی ایم ای) کے ذریعہ ایکریڈیشن کو نسل فارکنیو گن میڈیا یکل ایجکیشن (اے سی ایم ای) نے شفاف کا جائزہ ایکریڈیشن لیا ہے اور ڈاکٹروں کے لئے جاری طی تعلیم (سی ایم ای) کے فراہم کنندہ کے طور پر دو سال کے لئے عارضی منظوری سے نوازا ہے۔

• نیشنل فورم فارا نو ائمنسٹ اینڈ ہیلتھ کی جانب سے فارسیفٹی ایوارڈ شفاف نے نیشنل فورم آف ائمنسٹ اینڈ ہیلتھ اور فار پر ٹکیشن ایشن آف پاکستان (ایف پی اے پی) کی جانب سے بہترین طریقوں اور متعلقہ فارسیفٹی اسٹینڈرڈ کوڈز کی تعلیم کے اعتراف میں ”11 واس فارسیفٹی ایوارڈ“ جیتا۔

• آئی سی آئی پانچواں برس ایکسیلینس ایوارڈ 21 جولائی 2022ء کو اسلام آباد جیبر آف کامرس اینڈ انڈسٹری کی جانب سے پانچویں برس ایکسیلینس ایوارڈ کی تقریب کے دوران صدر پاکستان ڈاکٹر عارف علوی نے ایوان صدر میں شفاف ائمنسٹ ہسپتال کو خطے میں سب سے زیادہ ہیلتھ یتراپلائمنٹ جزیئر ایوارڈ دیا۔ شفاف کے کردار کو ایک ذمہ دار آجر کی حیثیت سے سراہا گیا جو میرٹ اور شفافیت کی بنیاد پر معاشرے کے تمام طریقوں کو یکساں روزگار کے موقع اور نمائندگی فراہم کرنے کے ساتھ ساتھ خواتین کو ایک محفوظ اور سازگار ماحول میں اپنے پیشوورانہ کیمپ کو آگے بڑھانے کے لئے با اختیار بنارہا ہے۔ خواتین شفاف کی کل افرادی قوت کا 35 فیصد ہے۔

• میجنٹ ایسوی ایشن آف پاکستان کے 36 ویں کارپوریٹ ایکسیلینس ایوارڈ شفاف ائمنسٹ ہسپتال بیڈنڈ نے میجنٹ ایسوی ایشن آف پاکستان (ایم اے پی) کی جانب سے ہیلتھ کیمپ کے شعبے میں مسلسل آٹھواں کارپوریٹ ایکسیلینس ایوارڈ حاصل کیا ہے۔ شفاف ائمنسٹ ہسپتال نے صحت کی دکھ بھال کے شعبے میں بہترین کارپوریٹ گورننس کے طریقوں پر ایوارڈ جیتا۔

بوروڈ آف ڈائریکٹر
کپنی کا بوروڈ دس ڈائریکٹرز پر مشتمل ہے۔ جن میں 9 مرد اور 1 خاتون شامل ہیں۔
کپنی کے بوروڈ کے اختیارات اور یاں کپنی کے قواعد و ضوابط کپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس اور دوسرے متعلقہ قوانین کی دفعات سے اخذ کئے گئے ہیں۔ بوروڈ نے 30 جون 2022 کو ختم ہونے والے سال کے دوران چھ مرتبہ اپنا جلاس منعقد کیا۔
بوروڈ میں آزاد، دو ایگزیکٹو اور ایک خاتون ڈائریکٹر پر مشتمل ہے۔

کیئگری	نام
آزاد ڈائریکٹر	سید الیاس احمد ڈاکٹر محمد نسیم انصاری جناب جاوید کے صدیق

تعمیر ملت فاؤنڈیشن نے ہنگامی امداد اور بحالی کی کوششوں میں مدد کے لئے اپنا کردار ادا کیا۔ ایم ایف کی توجہ بنیادی طور پر تیموں اور متأثرہ خاندانوں کی کفالت، بنیادی ڈھانچے کی تعمیر نو اور خواراک اور پینے کے پانی کی فراہمی پر مرکوز تھی۔ حالیہ سیلا ب سے متاثر ہونے والے تقریباً 200000 لاکھ افراد ان کوششوں سے مستفید ہونے والوں میں شامل ہیں اور اس میں مسلسل اضافہ ہو رہا ہے۔

ضابطہ اخلاق

کمپنی نے ایک ضابطہ اخلاق اپنایا ہے جو تمام ملازمین سے کام کا ایسا ماحول برقرار رکھنے کا مطالبہ کرتا ہے جس کی خصوصیات میں انصاف، احترام، سالمیت اور اخلاقی طریقوں کی تعمیل شامل ہو۔ کوڈ کی شفقوں میں دیگر کے علاوہ قانونی تعمیل، سیاسی سرگرمیوں پر پابندی، تھائیف طلب کرنے پر پابندی، مفادات کے نکار اسے گرین، صنف، نسل، رنگ، عمر وغیرہ کی بنیاد پر غیر امتیازی سلوک اور ہر اسیت کی ممانعت، معلومات کی رازداری کو برقرار رکھنا، قوانین کی تعمیل اور ماحولیاتی تحفظ کے بارے میں قواعد و نیمہ شامل ہیں۔ کوڈ آف کنڈکٹ کا اطلاق کمپنی کے تمام ڈائریکٹر، افسران، ملازمین، کنسٹلٹنٹس اور ایجنٹوں پر ہوتا ہے۔

”وسل بلوگ“ پالیسی

شفقا نیشنل ہسپتال دینداری سمیت شفاقتی، اخنساب اور کشادگی کے اعلیٰ معیارات پر عمل پیرارہت ہوئے کاروبار کرنے میں پر عزم ہے۔ اس حوالے سے کمپنی نے وسل بلوگ کی پالیسی لائی کی تاکہ سٹیک ہو لڈر ایسی بھی واقعہ کو شناخت اور پورٹ کرنے کے قابل ہو سکیں جو کمپنی کی پالیسیوں کے خلاف، غیر قانونی سرگرمی، بدانتظامی یا اختیار کے ناجائز استعمال کی ذیل میں آتا ہو۔ اس پالیسی کا بنیادی مقصد افراد کو ایسے موقع فراہم کر کے اس قابل بناتا ہے کہ وہ تشویش ظاہر کرنے میں اعتقاد محسوس کریں اور انہیں مکملہ عمل سے تحفظ کی یقین دہانی فراہم کی جائے اور شفاف کو رہنمائی بھی فراہم کی جائے کہ اس طرح کی تشویش کیسے ظاہر کرتے ہیں۔

شکایات کی پالیسی

کمپنی پر عزم ہے کہ ملازمین کی شکایات کو مناسب طریقے سے تعلیم کیا جائے گا اور حل کیا جائے گا۔ شکایت کی صورت میں ایک ملازم کا تعامل کے پہلے مرحلے پر اس کا فوری سپر وائز رہوتا ہے۔ تھڑ پارٹی کنٹریکٹ کے تحت کارکنوں کی جانب سے درج کرائی گئی شکایات پر بھی بنیادی گئی سے غور کیا جاتا ہے اور متعلقہ ایریا سپر وائز کے ذریعہ متعلقہ پارٹی کو حل کے لئے مطلع کیا جاتا ہے۔

اعزازات و اعتراف

امریکن ہارٹ ایسوسی ایشن (اے ایچ اے) کا آفیشل ٹریننگ سینٹر شفقا نیشنل آف پر فیشل ایکسپلینس (سکوپ) کے تحت قائم کیے گئے شفالاںف سپورٹ ٹریننگ (ایل آئی ایس ٹی) سینٹر کو امریکن ہارٹ ایسوسی ایشن (اے ایچ اے) کا آفیشل ٹریننگ سینٹر تعلیم کیا گیا ہے۔ ایل آئی ایس ٹی ہنگامی قبیلی اور کارڈیو یا موزی بحالی کی کوششوں کا مکمل سوت فراہم کرنے کی کوشش کرتا ہے جس میں ہارٹ سیورز، بیسک لائف سپورٹ (بی ایل ایس)، ایڈوانسڈ کارڈیو یا کول لائف سپورٹ (ایسی ایل ایس) اور پیڈیاٹرک ایڈوانسڈ لائف سپورٹ (پی اے ایل ایس) ٹریننگ شامل ہیں۔ ایل آئی ایس ٹی بھی پیشہ وار افراد کو با اختیار بنانے اور اعلیٰ ترین معیار پر فراہم ہنگامی قبیلی نگہداشت (ای سی سی) اور کارڈیو یا موزی بحالی (سی پی آر) کی تعلیم فراہم کر کے مریضوں کی بہتر گنبد اشت فراہم کرنے کا وہ رکھتا ہے۔ ملک بھر میں صحبت کی دلکشی بھال کے اداروں میں میڈیکل پر کیٹیشنز کو ضروری لائف سپورٹ ٹریننگ خدمات فراہم کی جا رہی ہیں۔

فیصلہ حاملہ خواتین، 19 فیصلہ دو دھپر پلانے والی خواتین، 24 فیصلہ کیاں اور 21 فیصلہ کے شامل ہیں، کام علاج کیا گیا۔

- مملکتی صحت کو مضمون بنا نے اور پاکستان میں وہ امن اے کی کم کرنے کے لئے شفافاً و مذہبی نے مملکتی صحت کے ڈسٹرکٹ فوکل پر سائز (ڈی ایف پیز) کو تربیت دی۔
- ملک کے مختلف حصوں میں غذائیت متعلق مخصوص پروگراموں کے ذریعے مجموعی طور پر 188,321 حاملہ اور دو دھپر پلانے والی عورتوں اور 632,591 بچوں کی اسکریننگ کی گئی، 114,563 بچوں کو حافظی بیکوں کے لئے صحت کی سہولیات میں بھیجا گیا، 217481 بچوں کا پیٹ کے کھٹ کے ختم کرنے کے لیے علاج کیا اور آگاہی مہوں کے ذریعے 114,563 مستحقین تک رسائی حاصل کی گئی۔
- کووڈ 19 کے دوران شفافاً و مذہبی نے ملکیہ ایشٹ سخت صحت کے عمل کی ہنگامی اور عمومی صحت میں اضافے، کووڈ 19 سے متاثرہ آبادی اور فرنٹ لائن ورکرزوں کو فعال تھراپی کے ذریعے میتھکم کرنے اور کراچی میں خصوصی ایم ایچ پی الیس ایس خدمات کی فراہمی کے لیے کام کیا۔
- شفافاً و مذہبی نے دور راز علاقوں میں کووڈ 19 میٹ اور علاج کے بارے میں بڑے پیانے پر آگاہی، کیوں نیز کو اس حوالے سے درکار حساسیت فراہم کرنے اور حکومت کی مدد کرنے کے لئے ایڈوکیسی کی خدمات فراہم کیں۔
- اسکولوں میں جسمانی سزا کی حوصلہ شکنی کرنے اور اساتذہ اور بچوں کے مابین تعامل پر مبنی تعلقات کو بڑھانے کے لئے شفافاً و مذہبی نے اساتذہ کو تربیت دی۔
- شفافاً و مذہبی نے ضلع بدین میں پیشگی وار نگاہ سٹم قائم کیا اور قیمتی جانوں کو بچانے اور موکی سیالب کے اثرات کو کم کرنے میں مدد کرنے کے لئے کیوں نیز کی تربیت کی۔
- کمزور برادریوں کی مدد کرنے کے لئے شفافاً و مذہبی نے اپنے فیڈ دی پور پروگرام کے ذریعے 1,187 خاندانوں (8,309 مستحقین) میں کھانے کے پیکنچ قسم کیے۔ پینڈ پپوں کی تنصیب کے ذریعے 1,490 کنبوں (9,955 استفادہ کنندگان) کو پینے کا صاف پانی فراہم کیا۔ شفافاً و مذہبی ہسپتال میں 109 مریضوں کو اعلیٰ سطحی علاج کی خدمات فراہم کیں۔

شفافاً و مذہبی ہسپتال اس امر پر پختہ یقین رکھتا ہے کہ معیاری تعلیم تک رسائی پاکستان کی ترقی کے لیے بنیادی اہمیت کی حامل ہے۔ اپنے قیام سے اب تک گذشتہ 35 برسوں میں شفافاً و مذہبی

- بازو، تغیر ملت فاؤنڈیشن (ٹی ایم ایف) دیگر غیر سرکاری تنظیموں کے ساتھ شرکت داری اور پلچر پر کام کرنے کے سہولیات سے محروم بچوں کی تعلیم میں مدد فراہم کر رہی ہے۔ اس چیزی آر گنائزیشن کی توجہ کا بنیادی مرکز سب کے لئے جامع، معیاری اور سنتی تعلیم (پرائمری، ثانوی اور اعلیٰ ثانوی) کے ذریعے زندگیاں تبدیل کرنے، خواتین کو با اختیار بنانے، مہارتوں کی ترقی اور یلیف اور بحالی کی کوششوں پر ہے۔
- زیر جاائزہ سال میں اس سلسلے میں تغیر ملت فاؤنڈیشن نے درج ذیل خدمات سرانجام دیں۔
- پاکستان کے پانچوں صوبوں کے 24 اضلاع کے 151 اسکولوں اور کالجوں میں 15,000 سے زائد بچوں کو بنیادی خواندنگی اور زندگی کی مہارتیں (لائف سکر) فراہم کیں۔ مجموعی طور پر ان خدمات سے مستفید ہونے والوں کی تعداد 610,000 ہے جن میں 48 فیصد کیاں شامل ہیں۔ تعلیمی درجات کے حوالے سے پرائمری میں 97,600، ثانوی میں 451,400، اعلیٰ ثانوی میں 53,800 اور تکمیلی تعلیم سے 7,200 طباو طالبات مستفید ہوئے۔
- تعلیم حاصل کرنے کے لئے 50 فیصد ضرورت مندرجات علموں کو اس پانچوں اور مالی مدد فراہم کی۔ ان میں سے صرف سے زائد کیاں اور 20 فیصلہ تیم پچے شامل تھے۔
- ٹی ایم ایف نے 700 سے زائد اساتذہ کو روزگار فراہم کیا جن میں سے 86 فیصد خواتین تھیں۔ ٹی ایم ایف اسکولوں میں اساتذہ کے لیے 60 سے زائد تینیں منعقد کی گئیں جن سے ان کی تکمیلی اور جدید تدریسی حکمت عملیوں کو لاگو کرنے کی صلاحیت کو تقویت ملی۔ اس تربیت سے ان کی مہارتوں میں اضافہ ہوا اور اختراعی تدریسی کو فروغ دینے میں مدد ملی۔
- اپنے ماحول اور ماحولیاتی تحفظ کے حوالے سے طالب علموں کو درکار حساسیت فراہم کرنے کے لیے تغیر ملت کے بہت سے اسکولوں میں شجر کاری مہم کا اہتمام کیا گیا۔ مختلف اسکولوں میں مجموعی طور پر 1000 درخت لگائے گئے۔
- مون سون یزین کے بعد ڈینکی کے پھیلاو کو روکنے کے لئے تقریباً 300 آگاہی سیشن منعقد کرنے کا اہتمام کیا گیا۔
- اسکولوں کی لا بسیریوں کے لیے 10,000 کتابیں عطیہ کیں اور لیبارٹریوں کو 50 کمپیوٹر زار سائنسی آلات فراہم کیے۔
- تمام اسکولوں میں حفاظان صحت کے حوالے سیاہ گاہی کے لیے ہاتھ دھونے کی بنیادی حفاظتی تکمیل پرائز کیوں پروگرام کیے گئے۔

آئی ایس اے 45001:2018

الیکس جی ایس کی جانب سے شفاف انتہائی میکٹ پیشہ وار انہ تھفظ اور سیفی میجنت سسٹم، پرہلہ اسرویلنس آڈٹ بین الاقوامی تنظیم برائے معیاریت 45001:2018 کے مطابق کیا گیا۔

پیشہ وار انہ تھفظ کی گرفتاری

کرپٹیکل ایریا میں کام کرنے والے عملے یعنی اسیزیر یا اسٹاف، ریڈی ایشن ڈپارٹمنٹ اسٹاف اور فوڈ ہینڈلر کے علاوہ ہمینگ اسٹاف کے لیے کلر بلاسٹنڈ ٹیسٹ اور پاور ہاؤس کے عملے کے لیے ہیزر نگ ٹیسٹ کے لیے مسلسل ہیلتھ سرویلنس کی جاری ہوتی ہے۔

ڈیز اسٹری میجنت

پورے ہسپتال میں خطرے کی جانچ اور تجزیہ کیا جاتا ہے۔ ہنگامی صورتحال میں مطلوبہ برعکس کے لئے عملے کو تیار کرنے کے لئے مشقیں کی جاتی ہیں۔ ضروری لوازمات کے ساتھ ہاسپتال اسٹری میجنت (ایچ آئی سی ایس) قائم کیا گیا ہے۔

پیشہ وار انہ تھفظ اور حفاظت پر عملے کی صلاحیت سازی کی جاتی ہے جس میں ڈیز اسٹری میجنت، سیفی میجنت، ہزمت (مضمر مواد) اور ویسٹ میجنت، یوٹیلیٹیز میجنت، میڈیکل ٹیکنالوژی میجنت، فارسی میجنت، اندر و فنی اور یروانی ہنگامی صورتحال وغیرہ شامل ہیں۔

حفاظت اور اسلامتی

مریضوں، وزیر، عملے اور طالب علموں کی حفاظت انتہائی اہمیت کی حامل ہے۔ اس کے لیے تین پتوں میں سیکورٹی عملے تھیں۔
 ۱۔ بیرونی دائرے والی پرت میں عملہ گیٹ پر تھیں۔ جہاں سکپیورٹی الرٹ کی سطح کے مطابق الکاروں اور گاڑیوں کی جانچ پر ہسپتال کی جاتی ہے۔
 ۲۔ دریانی پرت میں ہسپتال کے داخلی دروازے اور راستے آتے ہیں جہاں مرد اور خواتین گاڑی کی تھیں۔ جہاں افراد اور سامان کی جانچ پر ہسپتال کی جاتی ہے۔
 ۳۔ ہسپتال کے اندر اور چھپت کے اوپر والی پرت میں وارڈوں میں سیکورٹی الرٹ کے لحاظ سے مرد اور خواتین گاڑی کی تھیں۔ جہاں گاڑی زندہ ہوں وہاں الکٹرانک طور پر کنٹرول کیا جاتا ہے اور گنگرانی کے عملے کے ذریعہ گنگرانی کی جاتی ہے۔ ڈیٹرنس کے لیے چھت کے اوپر کی اور چاروں دیواری پر واقع ٹاور پر مسلسل گاڑی تھیں۔ حساس علاقوں کی شناختی کی جاتی ہے اور پٹرولنگ اور سی ٹی وی کیمروں کے ذریعے سیکورٹی کو یقینی بنایا جاتا ہے۔ ریڈ یوفر یونیٹی شناخت والے آلات کے ذریعہ ان علاقوں تک رسائی محدود رکھی جاتی ہے۔

کار پوریٹ سماجی ذمہ داری

زیر جائزہ مدت کے دوران ہماری سماجی ذمہ داری (سوشل آرمز) نے نہ صرف شفاف انتہائی ہسپتال میں ہزاروں ضرورت مند افراد کی خوراک، پینے کے صاف پانی اور علاج کی خدمات کے ذریعے مدد کی بلکہ ادجی ڈی سی ایل، راولپنڈی چیمبر آف کامرس اینڈ انڈسٹری (آر سی سی آئی)، اسلام آباد چیمبر آف کامرس اینڈ انڈسٹری (آئی سی سی آئی)، سیموارت گروپ، مدینہ کیش اینڈ کیری جیسے مکمل عطیہ دہنگان کے ساتھ تعاون میں بھی اضافہ کیا اور گراناگ گروپ، روٹری کلب اسلام آباد میٹرو پولین اور ایوان صنعت و تجارت راولپنڈی کے ساتھ مفاہمت کی یادداشتیں پر دستخط کیے۔

شفاف اونڈیشن نے کیوٹریز میں غذائی قلت کو کم کرنے کے ذریعے سندھ میں پسمندہ برادریوں کی مدد کی۔ اس سال کے دوران مجموعی طور پر 138,778 استفادہ کنندگان جن میں 36

چھڑ کا وہ الاظہام

شغا بچت کے طریقوں کے ذریعے پانی کے پائیدار انتظام اور استعمال کو یقینی بناتا ہے۔ شفا گریز میں 40 فیصد تک پانی کی بچت کے لیے آپاشی کا چھڑ کا وہ کا نظام نصب کیا گیا ہے۔ اس منصوبے کے نتیجے میں سالانہ 22 ملین لیٹر کا تحفظ ہوا ہے۔

بیگ ہاؤس فلٹریشن سسٹم کی تنصیب

بیگ ہاؤس فلٹریشن (بی ایچ ایف) سسٹم ان سیز یہڑ میں فضائی آلوگی کے کنٹرول سسٹم کے طور پر نصب کیا گیا ہے۔ بی ایچ ایف اسٹیک اخراج سے فلاٹی ایش اور سوٹ کو موثر طریقے سے ہٹانے کے لئے فزیکل فلٹریشن کے اصول پر کام کرتا ہے۔

ماحول پر کمپنی کے کاروبار کے اثرات

شفا سماجی طور پر باشور اور پائیدار کاروباری طریقوں کے لئے متفہ ماہولیاتی تحفظ کے اقدامات کے ذریعے ماہولیاتی قیادت (سیٹیورڈشپ) کو اپناتا ہے۔ ان طریقوں میں مرکری کے تبادل، ماکع فضلی کی ٹریٹمنٹ، آلوہ فضائی اخراج پر کنٹرول، بصری فضلہ کا انتظام، تو انائی کے تحفظ کے طریقے اور فضلی کی پیدوار اکوکم سے کم کرنے کے اقدامات شامل ہیں۔

صارفین کے تحفظ کے اقدامات:

ہوا اور آسیجن کی صفائی کا تجزیہ

آسیجن اور ہوا کی صفائی کا تجزیہ آئی سی یو، این آئی سی یو اور آر سیمیٹ تمام اہم علاقوں میں کیا گیا ہے۔ تجزیہ پورٹ در کار معیار کے مطابق تیل کو ظاہر کرتی ہے۔

پینے کے پانی کے ٹریٹمنٹ پلانٹ

پینے کے صاف پانی کی ضروریات کو پورا کرنے کے لئے 1000 لیٹر فی گھنٹہ کے پینے کے پانی کے ٹریٹمنٹ پلانٹ کی تنصیب کی گئی ہے۔ پینے کا صاف پانی یو تیل بند پینے کے پانی کے لئے پی ایس کیوی اے (پاکستان اسٹینڈرڈ زفار کوئٹی کنٹرول اخراجی) کے مقرر کردہ معیار کے مطابق ہے۔

قرڈ پارٹی حفاظتی معائنه

قرڈ پارٹی سے بولکر زار لفٹوں کا حفاظتی معائنه سیفیٹ کے معیارات کی تیل کو یقینی بنانے کے لئے کیا جاتا ہے۔

ماہولیاتی معائنه راؤنڈ

ماہولیاتی راؤنڈ بھی ہفتہوار بنیاد پر کیے جاتے ہیں جس میں ہپتال کے انتظام اور حفاظت کے پہلو، مریض کی حفاظت، ماہول اور ریگولیزی ضروریات سے مسلک مکانہ خطرات کی پیش بندی شامل ہیں۔

ایم جنی لائنگ

ہپتال میں 2 ہزار سے زائد ایم جنی ایل ای ڈی ال ایس نصب کی گئی ہیں جن میں ایک مخصوص یو پی ایس نصب کیا گیا ہے جو جل کے بریک ڈاؤن کی صورت میں 8 گھنٹے تک بلا تھلیل یک اپ فراہم کر سکتا ہے۔

پیغامات پہنچاتی ہے کہ بعد عنوانی ناقابل برداشت ہے۔ اس کے علاوہ، اعلیٰ میجمنٹ کی ذمہ داری ہے کہ وہ اچھے روں ماؤل کے طور پر کام کریں اور ایک شفاف ثقافت کی تعمیر کریں۔

تواناً کا تحفظ

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

فوڈ اولک مشی نظام

شقانے 1.5 میگاوات تک کی صلاحیت کے پی وی سول سٹم کے قابل تجدید ہواناً کے ذرائع نسب کرنے کا منصوبہ بنایا ہے۔ مشی ہواناً کی پیداوار کا منصوبہ ڈی کار بیانائزیشن اور پائیدار ہواناً کی طرف ایک کوشش ہے جو قدرتی گیس اور ڈیزل پرانچار کم کرے گا۔ فی الحال منصوبے کا 60 فیصد کام مکمل ہو چکا ہے اور پروجیکٹ سے بھلی ملنا شروع ہو چکی ہے۔

تواناً کی گرانی کے نظام کی تنصیب

بھلی کی زیادہ کھپت والے ایریا میں انرجی مانیٹر نگ سٹم ہارڈویر نصب کیا گیا ہے جس میں 198 انرجی اینالائزرز شاہل ہیں جو کھپت کی نشان دہی کر کے بچت کے اقدامات کرنے اور کھپت کم کرنے میں معاون ہوں گے۔ منصوبے کا 90 فیصد کام مکمل ہو چکا ہے۔

لوڈ کرنے کے ذریعے بھلی کا تحفظ

شقانے ہستیل کے مختلف علاقوں میں ایچ وی اے سی کے لئے استعمال ہونے والے چار سٹم کے اپ نائیم کم کم کر کے بھلی کے تحفظ کا منصوبہ بنایا ہے جہاں کم کم رش والے (آف پیک) اوقات کے دوران لوگوں کی آمد و رفت میں کمی واقع ہوتی ہے۔ متوسط بچت سالانہ 550,000 یونٹ بھلی ہے۔

ماخولیاتی تحفظ کے اقدامات

شقانے ماخولیاتی تحفظ اور پائیداری کو لینے کے لئے قانونی اور دیگر ہدایات عمل کرنے کے لئے پر عزم ہے۔ ماخولیاتی گرانی سے ماہی بنیادوں پر کی جاتی ہے تاکہ این ای کیوالمیں کے ساتھ مطابقت کو لینے بنایا جاسکے۔

ماخولیاتی گرانی اور قانونی تعلیل

الف۔ سیلف مانیٹر نگ اینڈر پورٹنگ ٹول (اسمارٹ) پروگرام، ای پی اے، نیشنل انوئریٹیشن کو اٹی اسٹینڈرڈ رڈز (این ای کیوالمیں) اور گائیڈ لائن کے مطابق جاری ماخولیاتی گرانی، ایڈوریز کو اٹی، اسٹیک اخراج مانیٹر نگ، پینے کے پانی کے تجزیے، (پینے کے قابل) غیر پینے کے قابل، گندے پانی کا تجزیہ، لیجنڈا، ڈسٹلڈ اسٹر، ایش تجزیہ، اور سرفیس سواب کے لئے لینے کیوالمیں کے ساتھ مطابقت کو لینے بنایا جاسکے۔

ب۔ بوائلر آرڈیننس 2002 کے مطابق بوائلر زکا معاشرہ

ج۔ تابکاری کی حفاظت کا معاشرہ: پی این آر اے ریکولیٹری ضروریات کا نفاذ

د۔ بھلی ایکٹ 1937 کے مطابق بھلی کی تنصیب کا معاشرہ

ہ۔ ایچ ڈبیوا میم آر، 2005ء کے مطابق ماہانہ فضلہ پورٹ پاک ای پی اے کو جمع کرنا

داخلی ماخولیاتی گرانی

میٹر ڈبیکل پیر ایمیٹر ز، آسیجن، ایل ای ایل، کاربن ڈائی آکسائیڈ، سی او، لائٹ، شور، فارمالڈیہ ہائڈ، ٹی ڈی ایلیں، مانکرو ڈبل ایمکرو اٹی سیستہ تمام ماخولیاتی میٹر ڈبیکل پیر ایمیٹر ز کے لئے پورے اسپتال میں باقاعدگی سے جاری مانیٹر نگ کی جاتی ہے تاکہ ماخولیاتی تحفظ لینے بنایا کراس وجہ سے عملی، مریضوں، تیناروں اور روزیٹر ز کا تحفظ لینے بنایا جاسکے۔

7- ریگولیٹری خطرہ: اس بات کا خطرہ موجود ہے کہ تو اعد و غواط میں غیر متوقع تبدیلیوں سے شفاء پر تنقی پیش رفتوں سے آگاہ رہنے کے لئے ریگولیٹری اداروں کے ساتھ فعال انداز میں رابطہ برقرار کھا جاتا ہے۔ خطرات سے نپٹنے کے لیے تنقی پروگرام (آرگانائزیشن رسک میجنت پروگرام) خطرات کی نشانہ ہی کرتے اور ان کی تنقیم یا ابہیت کی بنیادی پر تدارک کی حکمت عملی فراہم کرتے ہیں۔ تاہم اس طرح کی ریگولیٹری تبدیلیوں سے معمول طور پر توقع کی جاسکتی ہے کہ وہ شعبے کے اندر موجود تمام کھلاڑیوں کو متاثر کریں گے اور اس وجہ سے صرف شفاء کی حیثیت یا کاروبار کو علیحدہ متاثر نہیں کریں گے۔

کمپنی کا رسک فریم و رک اور انفرینٹ کنٹرول سسٹم

شفاء کے پاس ایک موثر اندرومنی کنٹرول اور رسک میجنت سسٹم ہے۔ داخلی کنٹرول کے عمل کی نگرانی کی ذمہ داری بورڈ آف ڈائریکٹرز کے پاس ہے۔ رسک میجنت اور اندرومنی کنٹرول کے عمل کو کپنی کے اٹاؤں کی حفاظت اور کپنی کو درپیش ابھرتے ہوئے خطرات کو موثر طریقے سے حل کرنے اور کم کرنے کے لئے ڈیزائن کیا گیا ہے۔ کمپنی ایک بخوبی وضاحت شدہ درجہ بندی کے ساتھ واضح تنقی ڈھانچے کو برقرار رکھتی ہے۔ سینئر میجنت پالیسیوں اور طریقہ کارکو نافذ کرنے، خطرے کی نگرانی اور مختلف کنٹرولز کے موثر ہونے کا اندازہ کرنے کے لئے ذمہ دار ہے۔

کاروبار کی توسعے

شفائیوروس سائنسز انسٹی ٹیوٹ کی آپریشنلائزیشن شفائیوروس سائنسز انسٹی ٹیوٹ اعصابی اور متعلقہ عوارض کے مريضوں کو موثر تثیحیں اور جامع گھمداشت فراہم کرنے کے لئے قائم کیا جا رہا ہے۔ پہلے مرحلے کے تحت دارالشفا (شفائیوروس سائنسز انسٹی ٹیوٹ) کو تہہ خانے اور گراونڈ فلور پر آپریشنل کیا جا چکا ہے۔ پہلے مرحلے میں فارمیسی اور ریڈیا لوجی، نیوروفزیالوجی، نسیبات، بحالی اور پین (درد) کیلئے ملکی شامل ہے۔

خدمات کی توسعے

خدمات کی رسائی بڑھانے کے لئے کنسلٹنٹس دور راز کے مريضوں کی سہولت کے لئے ورچوئل معائنہ کرتے ہیں اس کے علاوہ مريضوں کی سہولت کے لئے لیب پک اپ پوائنٹس اور فارمیسی پوائنٹس میں اضافہ بھی کیا گیا ہے۔ ہمارا مستقبل کا منصوبہ یہ ہے کہ ای ایم آر سے 100 فیصد نئے تیار کیے جائیں اور اس کے بعد اسے پورے اپنال میں نافذ کیا جائے۔

خصوصی افراد کا روزگار

کمپنی اس بات کو تسلیم کرتی ہے کہ ملازمین اور کمیونٹی کے تینیں اس کی واضح ذمہ داریاں ہیں کہ وہ اس بات کو یقینی بنائے کہ خصوصی افراد کو ملازمتوں اور ترقی کرنے کے مساوی موقع فراہم کیے جائیں۔ اس وقت ادارے میں 22 خصوصی افراد کام کر رہے ہیں۔

کاروباری اخلاقیات اور انسداد بد عنوانی کے اقدامات

۱۔ انسداد بد عنوانی نہ صرف ایک قانونی ذمہ داری ہے بلکہ شفاء کے لئے ایک اخلاقی موقف بھی ہے کہ بد عنوانی اس کے کاروبار اور معاشرے کے لئے خطرہ ہے۔

۲۔ شفاء کے تمام ملازمین ان قانونی اور اخلاقی مسائل کو مجھنے کے ذمہ دار ہیں جو کمپنی کے کاروبار کو متاثر کرتے ہیں اور ہر صورت میں سالمیت (ائٹیکریٹی) کے ساتھ کام بروئے کار لانے کے بھی ذمہ دار ہیں۔

مریضوں کو بہتر طریقے سے جانچنے اور ان کا علاج کرنے کے لئے ہتھ بنا جائے۔ اس اقدام سے مریضوں کی آمد و رفت کو بہتر بنانے میں مدد ملے گی اور شکر کے اوقات کے دوران کام کے بوجھ کو منظم کرنے میں مدد ملے گی تاکہ انہم کا مریض کے تجربے کو بہتر بنایا جائے۔

سنڈے اپی ڈی کلینکس ایک اور حالہ ہی میں شروع کیا گیا اقدام ہے جس کا مقصد نہ صرف مریضوں کو اپی ڈی مشاورت کے لئے آسان وقت کی پیش کش کر کے سہولت فراہم کرنا ہے بلکہ کم صرف اوقات کے دوران سہولت اور خدمات کی فراہمی کو بہتر طریقے سے استعمال کرنا بھی ہے۔

نبایدی خطرات اور غیر تلقینی صورت حال

خطرات اور غیر تلقینی صورت حال	مذارک
1- مسابقت کا خطرہ: نئے یا موجودہ حریقوں کا سہولیات کو اپ گریڈ کرنا اور گاہوں کو دور کرنا۔	شفا کو وسیع پیانے پر ملک میں صحت کی دلکشی بھال کی تین ہتھرین سہولیات میں سے ایک کے طور پر تسلیم کیا جاتا ہے۔ کسی بھی نئے یا موجودہ ہیٹ اپ کے لئے اپنی سہولیات کو اسی طرح کی حالت میں اپ گریڈ کرنے کے لئے کافی وقت اور مالی وسائل کی ضرورت ہوگی۔ مزید برائی شفایا جسے اعلیٰ تعلیم یافتہ اور طبی پیشہ و را فردا کی وسیع بنیاد حاصل کرنا انتہائی مشکل ہے۔
2- شرح مبادلہ کا خطرہ: غیر ملکی زر مبادلہ میں لین دین اور مقامی کرنی کی قدر میں کمی سے کمپنی کے منافع میں کمی ہو سکتی ہے۔	مستعد پیش کوئی، موثر مالیاتی اصرام مبتاط اور دانشمندانہ آپریشنل منصوبہ بندی اور جنم کی تو سیع کے ساتھ مشکل کاروباری ترقی ایکچھ کی شرح کے خطرات کا مقابلہ کر سکتے ہیں۔ اس کے علاوہ بین الاقوامی کاروبار سے ڈالر میں آمدنی مجموعی طور پر آمد نہیں کی کا ایک چھوٹا سا حصہ ہے۔
3- معافی سست روی: معافی سست روی کاروبار کو منتشر کرتی ہے اور شفایا کی ترقی کی منصوبہ بندی پر منفی اثرات مرتب کر سکتی ہے	پاکستان میں خالص ڈیموگرافکس کی وجہ سے صحت کی دلکشی بھال کے کاروبار کو اقتضادی سست روی / مندی کے خلاف محفوظ خیال کیا جاتا ہے، صحت کی دلکشی بھال کے منصوبوں کی کافی ناگہ ہے اور اس وجہ سے کاروبار مبتکم رفتار سے جاری رہنے کا امکان ہے۔
4- ہیومن ریسوس افرادی قوت کا خطرہ: نئے ہسپتاں کے آپریشنل ہونے کے بعد اس بات کا خطرہ ہے کہ معیاری ڈاکٹر اور عملہ تلاش کرنا مشکل ہو جائے گا	شفا جوائیکٹ کمیشن انریشنل سے منظور شدہ ہسپتال ہے لہذا یہاں کے ڈاکٹروں نے جو تجربہ حاصل کیا ہے وہ بین الاقوامی سطح پر تسلیم کیا جاتا ہے۔ اس وجہ سے افرادی قوت کی معیاری خدمات سے وابستہ خطرہ کم ہو جاتا ہے۔ مزید برائی اس شفایا کو جدید ترین شفایا نئی ٹیکنالوژی، شفایا تیغیر ملت یونیورسٹی اور اس کے ذیلی کالجوں کا ایڈوائچ ہے جو افرادی قوت کی ضروریات پورا کرنے کے لئے معیاری صحت کی دلکشی بھال کے لیے افراد تیار کرتے ہیں۔
5- متروک میکنالو جی: کمپنی میں استعمال کی جانے والی میکنالو جی میں تبدیلیوں کو مانیٹر کیا جاتا ہے اور ہسپتال کی ضروریات کے مطابق سہولت کو اپ گریڈ کیا جاتا ہے۔	ادارے کی تکنیکی نیمیں صحت کی دلکشی بھال کے شعبے میں ترقی پذیر اور ابھرتی ہوئی تکنیکی تبدیلیوں پر نظر رکھتی ہے۔ ملکیکل اور نان ٹکنیکل اریا میں دنیا بھر میں ہونے والی تبدیلیوں کو مانیٹر کیا جاتا ہے اور ہسپتال کی ضروریات کے مطابق سہولت کو اپ گریڈ کیا جاتا ہے۔
6- آپریشنل خطرہ: آپریشنل خطرے سے مراد آف ڈائریکٹر زکی نگرانی ہوتی ہے۔ اس کے علاوہ کاروباری تسلسل اور آفات کی بحالی کے منصوبے بھی موجود ہیں۔	شفایا میں اندرومنی کنٹرول کا پرائیس بخوبی واضح کر دیا ہے اور جس پر عمل در آمد ہوتا ہے اور جس پر انٹرل آڈٹ، آڈٹ کمیٹی اور بورڈ نا کافی یا نا کام دخلی پر اسیس، افراد اور سسٹم یا یرومنی واقعات سے رونما ہونے والا نقصان ہے

شفا انٹرنیشنل ہسپتال پروگرام کے آغاز کے بعد سے روای سال 1100 سے زائد لوگ ڈوز جگر کی پیوند کاری مکمل کرنے والا پاکستان کا پہلا ہسپتال بھی ہے جس کی کامیابی کی شرح میں الاقوامی معیار کی ہے۔ معیار کے رہنماء خطوط پرچتی سے عمل کرنا اور ماہرین کی ایک کیمیٹری جاتی ہیم اسے ایک معروف پروگرام بناتی ہے۔

جدید ترین طبی عینکنا لو جیز اور آلات میں سرمایہ کاری کے عزم کے تسلیم میں، اس سال ایک 4 ڈی سی ٹی سیمیلیٹر ایکنر کا افتتاح کیا گیا تھا تاکہ موجود صلاحیتوں یعنی 2 ڈی آرٹی، 3 ڈی سی آرٹی، آئی ایم آرٹی، اسٹرائیکیو یوری اور اسٹریٹیلیں برکی ہنر اپی کے علاوہ کینسر کے علاج میں ریڈ یوہراپی کی مدد کی الگی سطح فراہم کی جاسکے۔

منفرد اور جدید ترین علاج کی اختراعی سہولیات متعارف کرنے کے لئے وسائل اور تکنیکی صلاحیت کی تغیر کے تسلیم میں کارڈیا لو جی ڈیپارٹمنٹ نے پاکستان سوسائٹی آف انڈر پریشنل کارڈیا لو جی کے زیر اہتمام ”پاکستان لائیو 2021“ میں لائیو پیچیدہ ملٹی ویسل انجیو پلاسٹی کامیابی کے ساتھ انجام دی۔ مزید برآں، کارڈیا لو جی ڈیپارٹمنٹ نے اپنے امراض قلب کے مرکز کے لازمی حصے کے طور پر اس سال بھی کامیاب نتائج کے ساتھ متعدد پیچیدہ کارڈیک پرو سجھ کرے ہیں۔

ای ایں ٹی ڈیپارٹمنٹ نے پیشہ و را فرد کی کیمیٹری جاتی ہیم کے تعاون سے 3 سالہ بچے میں امپلائڈ کوکیسٹر ڈی اس کو چا لو کرنے کا ایک منفرد پرو سجھ کیا۔ اس سے قبل اسی ہیم نے شفائیں پہلا کوکیسٹر امپلائٹ کیا گیا تھا۔

ڈیپارٹمنٹ آف دی پلاسٹک سر جری نے جدید ترین کامیک سوئٹ قائم کر دیا ہے۔ یہ سہولت جدید عینکنا لو جی اور ایک تجربہ کارٹیم سے یہ ہے جو مریضوں کو پیچیدہ جمالياتی سر جری کی خدمات پیش کرتی ہے۔

وسائل کے زیادہ سے زیادہ استعمال کو یقینی بنانے، کارکردگی کو بڑھانے اور لالگت کو کم کرنے کے لئے ہسپتال سارٹ اور جدید تبادل کا جائزہ لے رہا ہے۔ تو نامی کے اخراجات کم کرنے کے لئے سمشی پیٹن نصب کرنے کا منصوبہ زیر تکمیل ہے۔ پانی کی بچت کے لئے چھڑکا ڈاؤ آپاشی کا نظام بھی متعارف کرایا گیا ہے۔

22-2021 میں شفائیں پیٹل سینٹر اسلام آباد (پرائیویٹ) لمبید کا تغیری کام شروع ہو گیا جو شفای انٹرنیشنل ہسپتال لمبید کا ذیلی ادارہ ہے اور جس کے لئے شفای انٹرنل پروپر گروپ نے اشتراک کیا ہے تاکہ مریضوں کو معیاری آؤٹ پیشنٹ، تیخیصی اور ای بولٹری سر جری کی دیکھ بھال فراہم کی جاسکے۔ فیصل آباد اور گردنواح کے رہائشیوں کو معیاری طبی سہولیات کی فراہمی کے لئے شفایں پیٹل ہسپتال فیصل آباد (پرائیویٹ) لمبید کا سینگ بنیاد بھی رکھا گیا۔

مستقبل کی ترقی اور کارکردگی کو متاثر کرنے والے عوامل

آبادی کے لحاظ سے دنیا کا پانچواں بڑا ملک ہونے کے ناطے سے پاکستان اپنے شہریوں کو خصوصی معیار کی صحت کی سہولیات کی منصافانہ اور آسان رسائی کو یقینی بنانے کے لئے مختلف رکاوٹوں اور مددات کا سامنا کر رہا ہے۔ بہت سے ترقی پذیر ممالک نے حالیہ برسوں میں لوگوں کو مساوی صحت کی کوئی ترجیح فراہم کرنے کے لئے یونیورسل ہیلٹھ کورٹن (یوائیکی) کو اپنایا ہے۔ حکومت نے خیرپختونخوا کے بعد پنجاب کی آبادی کے لئے بھی ہیلٹھ کارڈ کا اعلان کیا ہے۔ شفایسے کارپوریٹ ہیلٹھ کیمپرڈاول کے لئے، بین الاقوامی معیار کے مطابق صحت کی دیکھ بھال کی سہولیات کی فراہمی بہت لاغت والا کام ہے۔ تاہم موجودہ روحان کو منظر رکھتے ہوئے، پاکستان میں سر کاری اور نجی شعبوں کے درمیان سہولیات صحت کی فراہمی کے لیے جاری شرکت داری استطاعت اور سہولیات کی دستیابی کے چینیجنوں سے مشتمل ہوئے متاثر ہوگی۔

حالیہ برسوں میں شفائیں مقامی کیوینیز کے لئے صحت کی خدمات فراہم کرنے والے مقامی ادارے کے طور پر بروئے کار آنے کے لئے ڈیجیٹل ذراائع اور موقع پر موجودگی کے ذریعے ماحقة علاقوں کے اندر بڑے شہروں میں اپنے اثرات بڑھانے کے لئے مارکیٹ کی ترقی کی حکمت عملی کو بھی اپنایا ہے۔ اس پر عملدرآمد کے ایک حصے کے طور پر سال بھر مختلف شہروں میں خصوصی اپی ڈی کلینک منعقد کیے جاتے ہیں، ملٹی اسپیشلٹی کنسلنٹنٹس ان شہروں کا دورہ کرتے ہیں اور ذاتی طور پر مریضوں کا معائیدہ کرتے ہیں۔

مزید برآں، ہی پیک منصوبوں کے حصے کے طور پر پاکستان میں چینی شہریوں کی موجودگی میں اضافے کی توقع کرتے ہوئے، چینی مریضوں کے کارڈینیشن آفس کو اسی طرز پر قائم کر کے ان مریضوں کی سہولت کے لئے کوششیں جاری ہیں جس طرح افغان شہریوں کو سہولت فراہم کی جاتی ہے۔

شفائیں پیٹل کے پہلے مرحلے کے آغاز کے ساتھ دستیاب ہونے والی جگہ کے نیادی ڈھانچے کو مختلف متعلقہ بھی اور جرایی پیٹل کے لئے دوبارہ ڈیزائن کیا گیا ہے تاکہ

مناج عملی کارکردگی

زیر جائزہ سال میں شفا ائرٹ نیشنل ہسپتال لمبیڈ (شفا/ہسپتال) کے آپریشنز کے نتیجے میں مجموعی آمدی میں گذشتہ برس کی نسبت 14 فیصد کا اضافہ ہوا۔ آپریشنگ لگت میں بھی اسی تناسب سے اضافہ ہوا۔

”دیگر آمدی“ کی ذیل میں نمایاں اضافہ روپے کے مقابلے میں ڈالر کی قیمت میں اضافے اور سے ہونے والے منافع کی عکاسی کرتا ہے۔

فی شیئر آمدی

زیر جائزہ سال کی فی شیئر آمدی 12% 66 فیصد اضافے کے ساتھ 11.07 سے بڑھ کر 18.39 روپے ہو گئی۔

حصہ داران کو منافع

ڈائریکٹر زرپورٹ نے ہتمی نقد منافع 1.50 روپے فی شیئر تجویز کیا ہے۔ یہ 1.50 روپے فی شیئر عبوری نقد منافع کے علاوہ ہے جو پہلے ہی ادا کیا جا چکا ہے۔ اس طرح سالانہ اجلاس عام میں حصہ داران کی مظہوری سے سال کا منافع 3 روپے فی شیئر یعنی 30 فیصد سال 2021-22 کے لئے ہے۔

قومی خزانے میں حصہ

زیر جائزہ سال میں قومی خزانے میں کمپنی نے درج ذیل طریقوں سے حصہ ڈالا۔

نمبر شمار	تفصیلات	(روپے 000 میں)
1	براہ راست ٹیکسز	405,208
2	بالواسطہ ٹیکسز	309,505
3	سپلائرز، ملاز میں وغیرہ سے ٹکیس کٹوتی	852,931
کل رقم		1,567,644

اہم سرگرمیاں، ترقی اور کارکردگی

پہلے سال کی طرح 22-2021 کو 19 وابائی مرض کو ایک بڑے یہودی چینگ کے طور پر سامنے لایا جس سے اہم اقدامات اور حکمت عملیوں پر عمل درآمد کر کے مؤثر طریقے سے نہیا گیا۔ الحمد للہ، مریضوں کی رسمی، آپریشنز اور سہولیات کے انتظام سے متعلق ٹیم پر مبنی نقطہ نظر اور فعال میجمنٹ کی حکمت عملی کے ساتھ، شفانے مریضوں کی صحت کی دیکھ بھال کی ضروریات کو پورا کر کے بھٹ کے اہداف کو حاصل کیا۔

شفا اعضا ٹرانسپلانت پروگرام نے پائیاری، کامیابی کی شرح، رسمی اور توسعی کے لحاظ سے بھی قابل ذکر پیشرفت دکھائی ہے۔ اس سال 350 سے زیادہ بون میرور ٹرانسپلانت کی تکمیل ہوئی۔ شفابی ایمیٹی ملک میں بھی شعبے کا سب سے ستاب پروگرام ہے جو خلطے میں سب سے زیادہ چینگ کیس دیکھ رہا ہے۔ ادارے کے لیے یہ بھی بڑے فخر کی بات ہے کہ پرائمری سینٹرل اعصابی نظام لمفوما کے لیے پاکستان میں پہلا منفرد اسٹیم سیل ٹرانسپلانت کیا گیا۔

کل کی ٹرانسپلانت پروگرام نے ٹرانسپلانت سر جری کی اینڈ یورولو جی، نیفرو لو جی، ٹرانسپلانت اسیون لو جی ایڈ پیچھا لو جی، کارڈیا لو جی اور دیگر کراس فکشنل ٹیموں کے ماہرین کے ذریعہ بالفون اور بچوں کے آغاز سے لے کر اب تک 700 سے زیادہ ٹرانسپلانت کیے ہیں۔



NOTICE OF THE 36TH ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the members of Shifa International Hospitals Limited (the "Company") will be held at the registered office (C-0 Auditorium) of the Company at Sector H-8/4, Islamabad and also through video-link (Zoom Application) on Friday, October 28, 2022 at 1030 hours to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of 35th Annual General Meeting of the Company held on October 28, 2021.
2. To receive, consider and adopt the Annual Audited Accounts (consolidated and unconsolidated) of the Company for the year ended June 30, 2022 together with the directors' and auditors' report thereon.

As required under section 223 (7) of the Companies Act, 2017 financial statements of the Company have been uploaded on Company's website which can be downloaded from the following link:

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

3. To approve final cash dividend of Rs. 1.50 per share as recommended by the Board of Directors. It is in addition to the interim cash dividend of Rs. 1.50 per share already paid to the shareholders, thus making a total cash dividend of Rs. 3 per share i.e. 30% for the year ended June 30, 2022.
4. To appoint auditors for the year ending June 30, 2023 and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee, has proposed appointment of M/s BDO Ebrahim & Co., Chartered Accountants as auditors of the Company.

By Order of the Board



MUHAMMAD NAEEM
Company Secretary

ISLAMABAD
September 30, 2022

Notes:

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

Securities & Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in general meetings through electronic means as a regular feature in addition to holding physical meetings. Accordingly,

NOTICE OF THE 36TH ANNUAL GENERAL MEETING

the shareholders intending to participate in the meeting via video link are hereby requested to share following information with the Company Secretary office at the earliest but not later than 48 hours before the time of AGM i.e. before 10:30 a.m. on October 25, 2022:

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

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

Members who are registered on or before October 25, 2022, after the necessary verification, will be provided a Zoom video-link by the Company via return email. The login facility will remain open from 1025 hours on October 28, 2022 till the end of the meeting.

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

ii) Closure of Share Transfer Books:

The share transfer books of the Company will remain closed from October 21, 2022 to October 28, 2022 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at the share registrar's office of the Company i.e. M/s Corplink (Pvt.) Limited situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on Thursday, October 20, 2022 will be considered as being in time, to entitle the transferees to the final cash dividend and to attend & vote at the AGM.

iii) Appointment of Proxy:

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

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

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

For appointing proxies

- a. In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

- b. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to the Company.

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

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) to receive their cash dividend directly in their bank accounts instead of dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account. In the absence of shareholder's valid bank account details by October 20, 2022, the Company will be constrained to withhold dividend of such members.

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

v) **Submission of Computerized National Identity Card (CNIC) /National Tax Number (NTN) for payment of dividend:**

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

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

vi) **Confirmation of "Filer" status for income tax withholding on cash dividend:**

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

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

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

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

NOTICE OF THE 36TH ANNUAL GENERAL MEETING

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

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

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

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

An updated list for unclaimed dividend/shares of the Company is available on the Company's website www.shifa.com.pk. These are unclaimed dividend/shares which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable.

Shareholders who have not collected their dividend/physical shares so far are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

ix) **Transmission of audited financial statements/ notices through email:**

Pursuant to Notification vide SRO. 787(l)/2014 of September 08, 2014 & under section 223(6) of the Companies Act, 2017, circulation of audited financial statements and notice of AGM has been allowed in electronic format through email.

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

In addition to above, the Company also placed its Financial Statements on its website www.shifa.com.pk.

x) **Transmission of annual audited financial statements through CD/DVD/USB:**

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

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

xi) **Change of Address:**

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

xii) **Deposit of physical shares into Central Depository:**

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry

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

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

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

Company's Registered Office

M/s Shifa International Hospitals Limited
Sector H-8/4, Islamabad.
Ph. No. +92-51-8464770

Share Registrar's Office

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

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019

Year Ended June 30, 2022

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

1. The total number of directors are Ten (10) as per the following:

- a. Male: Nine (09)
- b. Female: One (01)

2. The composition of the Board is as follows:

Category	Names
Independent Directors*	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
Non-Executive Directors	Dr. Habib Ur Rahman Mr. Shafquat Ali Chaudhary Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad (Female Director) Prof. Dr. Shoab Ahmed Khan
Executive Directors	Dr. Manzoor H. Qazi Mr. Muhammad Zahid

*The Code requires that independent directors of a listed company shall not be less than one third of total number of directors. The total number of directors of the Company are ten and one third of the same is equal to 3.33. As decimal digit is less than 0.5, therefore, the figure 3.33 has been rounded off to 3.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. As at June 30, 2022 eight members (80%) of the existing Board have completed the Director's Training Program (DTP). The two Directors could not take-up the DTP, during the year under review, as they reside in U.S.A. The Company also arranged DTP for one female executive during the year under review as required under the Regulations.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee
 - i. Syed Ilyas Ahmed (Chairman)
 - ii. Dr. Habib Ur Rahman
 - iii. Dr. Samea Kauser Ahmad
 - iv. Mr. Javed K. Siddiqui
 - b) HR & Remuneration Committee
 - i. Syed Ilyas Ahmed (Chairman)
 - ii. Dr. Habib Ur Rahman
 - iii. Dr. Manzoor H. Qazi
 - iv. Dr. Mohammad Naseem Ansari
 - v. Mr. Qasim Farooq Ahmad*

* Mr. Qasim Farooq Ahmad was inducted in the HR & R Committee on September 28, 2022
 - c) Corporate Governance & Nominations Committee
 - i. Mr. Muhammad Zahid (Chairman)
 - ii. Dr. Habib Ur Rahman
 - iii. Dr. Manzoor H. Qazi
 - iv. Dr. Samea Kauser Ahmad
 - v. Mr. Javed K. Siddiqui
 - d) Risk Management Committee
 - i. Mr. Qasim Farooq Ahmad (Chairman)
 - ii. Prof. Dr. Shoab A. Khan
 - iii. Dr. Mohammad Naseem Ansari
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee: Quarterly
 - b) HR and Remuneration Committee: Yearly
 - c) Corporate Governance & Nominations Committee: Yearly
 - d) Risk Management Committee: Yearly

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019

Year Ended June 30, 2022

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



DR. MANZOOR H. QAZI

Chief Executive Officer



MUHAMMAD ZAHID

Director

ISLAMABAD

September 28, 2022

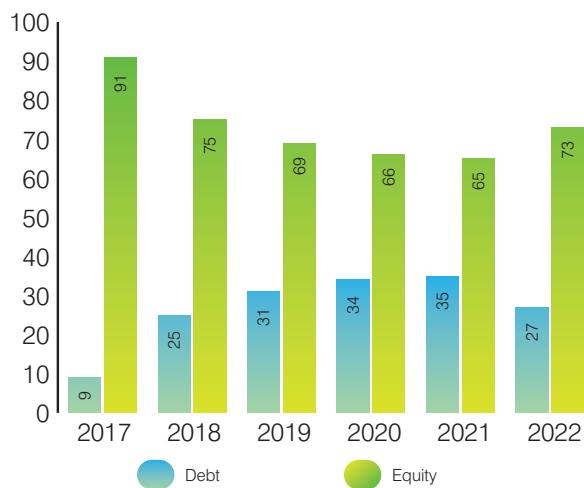


FINANCIAL PERFORMANCE OF SIX YEARS

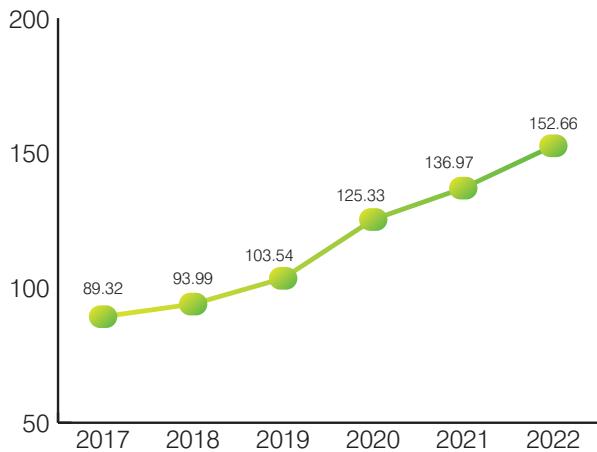
SIX YEARS AT A GLANCE

		2022	2021	2020	2019	2018	2017
PERFORMANCE							
Operating profit margin	%	12.19	9.31	10.50	9.94	8.04	10.04
Net profit margin	%	7.18	4.92	4.16	6.62	5.42	6.55
Return on equity	%	12.82	8.61	7.53	14.43	11.14	13.05
Return on assets	%	11.47	7.93	8.36	9.79	8.14	11.99
Asset turnover	Times	0.94	0.85	0.80	0.98	1.01	1.19
CAPITAL MARKET/CAPITAL STRUCTURE ANALYSIS							
Market value per share (year end)	Rs.	179.14	219.15	233.36	219.80	270.00	330.00
Breakup value per share	Rs.	152.66	136.97	125.33	103.54	93.99	89.32
Market price to breakup value	Times	1.17	1.60	1.86	2.12	2.87	3.69
Earnings per share	Rs.	18.39	11.07	8.18	14.25	10.21	11.12
Price earning ratio	Times	9.74	19.79	28.53	15.42	26.44	29.68
Dividend per share (total)	Rs.	1.50	-	2.55	4.50	5.00	3.00
Dividend yield/effective dividend rate	%	0.84	-	1.09	2.05	1.85	0.91
Interest cover	Times	5.16	3.67	2.67	12.29	14.41	13.99
Debt : equity	Ratio	27:73	35:65	34:66	31:69	25:75	9:91
LIQUIDITY							
Current ratio		1.09	1.23	1.32	0.81	0.83	0.97
Quick ratio		0.91	1.06	1.10	0.63	0.64	0.76
HISTORICAL TRENDS							
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION				Rupees in '000'			
Authorized capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	545,379
Share capital		632,144	619,749	619,749	545,379	545,379	545,379
Share premium		2,738,888	2,751,283	2,751,283	1,046,025	1,046,025	1,046,025
Surplus on revaluation of PP&E		867,283	792,396	760,346	772,019	723,310	726,760
Unappropriated profit		5,411,656	4,325,259	3,636,170	3,283,636	2,811,117	2,553,295
Share holders' equity		9,649,971	8,488,687	7,767,548	5,647,059	5,125,831	4,871,459
Non current liabilities		2,310,214	3,317,760	3,962,551	2,717,345	1,882,076	581,874
Current liabilities		5,251,868	4,886,521	3,529,154	3,573,255	3,137,871	2,295,152
Total		17,212,053	16,692,968	15,259,253	11,937,659	10,145,778	7,748,485
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS				Rupees in '000'			
Net revenue		16,197,551	14,219,718	12,151,762	11,754,393	10,270,597	9,257,009
Operating costs		(14,791,977)	(12,899,400)	(11,480,652)	(10,642,312)	(9,508,191)	(8,464,606)
Other income		637,429	107,479	637,219	44,290	63,084	136,579
Expected credit (losses)/reversal		(69,069)	(103,529)	(32,278)	11,853	-	-
Operating profit		1,973,934	1,324,268	1,276,051	1,168,224	825,490	928,982
Finance costs		(382,432)	(360,375)	(478,598)	(95,087)	(57,280)	(66,389)
Provision for taxation		(428,953)	(263,969)	(292,262)	(295,803)	(211,522)	(256,166)
Profit after taxation		1,162,549	699,924	505,191	777,334	556,688	606,427
UNCONSOLIDATED STATEMENT OF CASH FLOWS				Rupees in '000'			
Net cash flows from operating activities		1,601,920	1,549,681	321,405	1,725,551	902,302	1,037,835
Net cash used in investing activities		(992,875)	(1,117,057)	(1,180,120)	(1,996,448)	(2,101,707)	(1,323,953)
Net cash flows from/ (used in) financing activities		(1,517,527)	98,357	2,348,331	592,927	892,154	(514,959)
Changes in cash & cash equivalent (C&CE)		(908,482)	530,981	1,489,616	322,030	(307,251)	(801,077)
Cash & cash equivalents at beginning of the year		2,812,697	2,398,052	794,696	473,479	781,194	1,582,690
Effect of exchange rate change on C&CE		416,217	(116,336)	113,740	(813)	(464)	(419)
Cash & cash equivalents at end of year		2,320,432	2,812,697	2,398,052	794,696	473,479	781,194

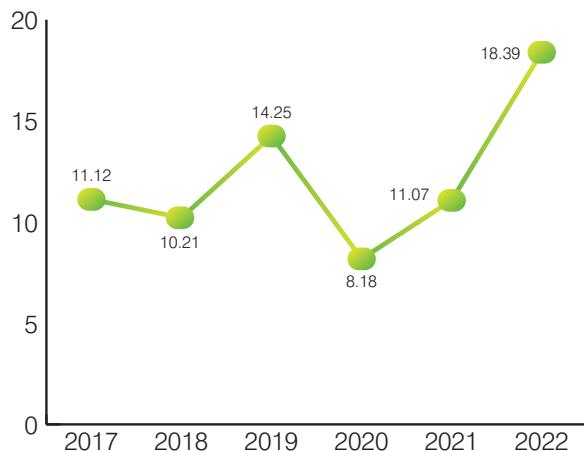
Debt Equity Ratio (%)



Breakup Value Per Share (Rs.)



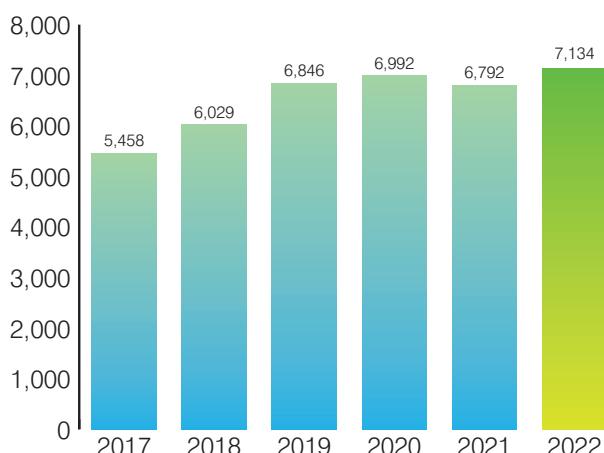
Earnings Per Share (Rs.)



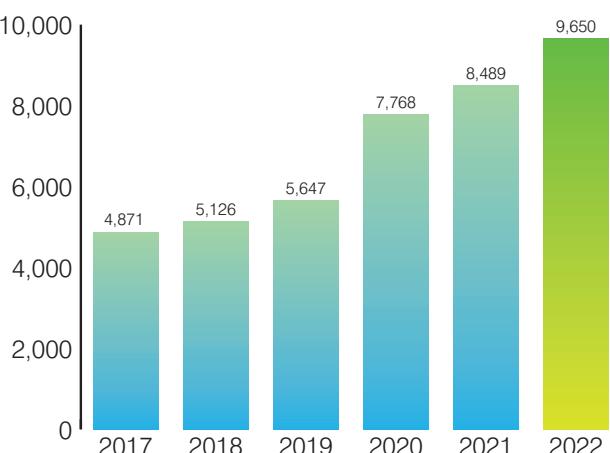
Current Assets & Current Liabilities (Rs. in Millions)



Property, Plant And Equipment (Rs. in Millions)



Shareholder's Equity (Rs. in Millions)



HORIZONTAL ANALYSIS

	2022		2021	
	Rs in '000'	22 Vs. 21 %	Rs in '000'	21 Vs. 20 %
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION				
SHARE CAPITAL & RESERVES				
Share capital	632,144	2.0	619,749	-
Share premium	2,738,888	(0.5)	2,751,283	-
Surplus on revaluation of PP&E	867,283	9	792,396	4
Unappropriated profit	5,411,656	25	4,325,259	19
Shareholders' equity	9,649,971	14	8,488,687	9
Non current liabilities	2,310,214	(30)	3,317,760	(16)
Current liabilities	5,251,868	7	4,886,521	38
Total	17,212,053	3	16,692,968	9
ASSETS				
Property, plant and equipment	7,134,172	5	6,791,843	(3)
Investment property	-	-	-	-
Intangible assets	53,365	70	31,343	(45)
Long term investments - at cost	3,918,618	23	3,178,758	8
Long term deposits	85,324	(11)	96,260	(14)
Current assets	5,699,621	(5)	5,996,707	28
Non current assets held for sale	320,953	(46)	598,057	21
Total	17,212,053	3	16,692,968	9
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Net revenue*	16,197,551	14	14,219,718	17
Operating costs *	(14,791,977)	15	(12,899,400)	12
Other income	637,429	493	107,479	(83)
Expected credit (losses)/reversal	(69,069)	(33)	(103,529)	221
Operating profit	1,973,934	49	1,324,268	4
Finance costs	(382,432)	6	(360,375)	(25)
Provision for taxation	(428,953)	63	(263,969)	(10)
Profit after taxation	1,162,549	66	699,924	39

* During the year under review the operations of Shifa International Hospitals Limited translated in to an overall revenue increase of 14% as compared to the previous year. Operating costs also increased in the same proportion.

2020		2019		2018		2017	
Rs in '000'	20 Vs. 19 %	Rs in '000'	19 Vs. 18 %	Rs in '000'	18 Vs. 17 %	Rs in '000'	17 Vs. 16 %
619,749	14	545,379	-	545,379	-	545,379	-
2,751,283	163	1,046,025	-	1,046,025	-	1,046,025	-
760,346	(2)	772,019	6.7	723,310	(0.5)	726,760	(2)
3,636,170	11	3,283,636	17	2,811,117	10	2,553,295	22
7,767,548	38	5,647,059	10	5,125,831	5	4,871,459	10
3,962,551	46	2,717,345	44	1,882,076	223	581,874	(37)
3,529,154	(1)	3,573,255	14	3,137,871	37	2,295,152	25
15,259,253	28	11,937,659	18	10,145,778	31	7,748,485	8
6,991,936	2	6,845,816	14	6,028,882	10	5,457,545	18
-	(100)	1,642,085	17	1,401,837	100	-	-
57,414	(31)	83,711	150	33,477	216	10,585	100
2,933,524	3,575	79,833	341	18,120	-	18,120	1
111,740	28	87,211	44	60,736	34	45,273	14
4,669,661	61	2,891,682	11	2,602,726	17	2,216,962	(12)
494,978	61	307,321	100	-	-	-	-
15,259,253	28	11,937,659	18	10,145,778	31	7,748,485	8
12,151,762	3	11,754,393	14	10,270,597	11	9,257,009	6
(11,480,652)	8	(10,642,312)	12	(9,508,191)	12	(8,464,606)	10
637,219	1,339	44,290	(30)	63,084	(54)	136,579	57
(32,278)	(372)	11,853	100	-	-	-	-
1,276,051	9	1,168,224	42	825,490	(11)	928,982	(19)
(478,598)	403	(95,087)	66	(57,280)	(14)	(66,389)	(39)
(292,262)	(1)	(295,803)	40	(211,522)	(17)	(256,166)	(8)
505,191	(35)	777,334	40	556,688	(8)	606,427	(20)

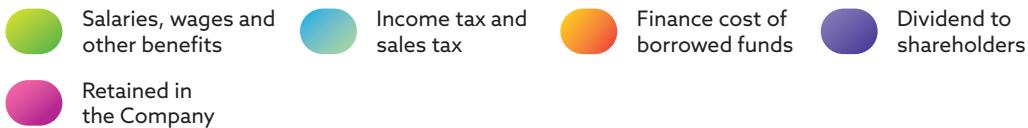
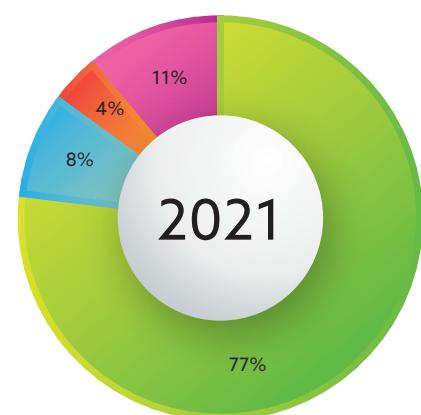
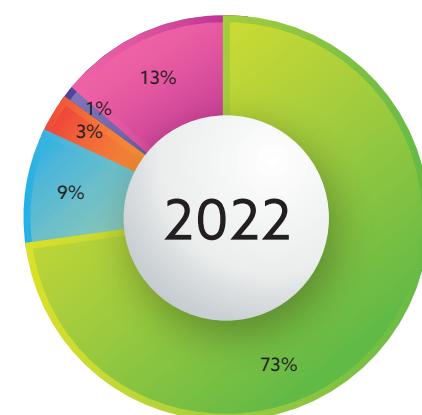
VERTICAL ANALYSIS

	2022		2021	
	Rs in '000'	%	Rs in '000'	%
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION				
SHARE CAPITAL & RESERVES				
Share capital	632,144	4	619,749	4
Share premium	2,738,888	16	2,751,283	16
Surplus on revaluation of PP&E	867,283	5	792,396	5
Unappropriated profit	5,411,656	31	4,325,259	26
Shareholders' equity	9,649,971	56	8,488,687	51
Non current liabilities	2,310,214	13	3,317,760	20
Current liabilities	5,251,868	31	4,886,521	29
Total	17,212,053	100	16,692,968	100
ASSETS				
Property, plant and equipment	7,134,172	41.4	6,791,843	40.7
Investment property	-	-	-	-
Intangible assets	53,365	0.3	31,343	0.2
Long term investments - at cost	3,918,618	22.8	3,178,758	19.0
Long term deposits	85,324	0.5	96,260	0.6
Current assets	5,699,621	33.1	5,996,707	35.9
Non current assets held for sale	320,953	1.9	598,057	3.6
Total	17,212,053	100	16,692,968	100
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Net revenue	16,197,551	100	14,219,718	100
Operating costs	(14,791,977)	(91.3)	(12,899,400)	(91.0)
Other income	637,429	3.9	107,479	1.0
Expected credit (losses)/reversal	(69,069)	(0.4)	(103,529)	(1.0)
Operating profit	1,973,934	12.2	1,324,268	9
Finance costs	(382,432)	(2.4)	(360,375)	(3.0)
Provision for taxation	(428,953)	(2.6)	(263,969)	(2.0)
Profit after taxation	1,162,549	7.2	699,924	5.0

2020		2019		2018		2017	
Rs in '000'	%	Rs in '000'	%	Rs in '000'	%	Rs in '000'	%
Net Income							
619,749	4	545,379	5	545,379	5	545,379	7
2,751,283	18	1,046,025	9	1,046,025	10	1,046,025	13
760,346	5	772,019	6	723,310	7	726,760	9
3,636,170	24	3,283,636	27	2,811,117	28	2,553,295	33
7,767,548	51	5,647,059	47	5,125,831	50	4,871,459	62
3,962,551	26	2,717,345	23	1,882,076	19	581,874	8
3,529,154	23	3,573,255	30	3,137,871	31	2,295,152	30
15,259,253	100	11,937,659	100	10,145,778	100	7,748,485	100
Net Income							
6,991,936	45.8	6,845,816	57.3	6,028,882	59.4	5,457,545	70.4
-	-	1,642,085	13.8	1,401,837	13.8	-	-
57,414	0.4	83,711	0.7	33,477	0.3	10,585	0.2
2,933,524	19.2	79,833	0.7	18,120	0.2	18,120	0.2
111,740	0.7	87,211	0.7	60,736	0.6	45,273	0.6
4,669,661	30.6	2,891,682	24.2	2,602,726	25.7	2,216,962	28.6
494,978	3.2	307,321	2.6	-	-	-	-
15,259,253	100	11,937,659	100	10,145,778	100	7,748,485	100
Net Income							
12,151,762	100	11,754,393	100	10,270,597	100	9,257,009	100
(11,480,652)	94.5	(10,642,312)	90.5	(9,508,191)	92.6	(8,464,606)	91.4
637,219	5.2	44,290	0.4	63,084	0.6	136,579	1.5
(32,278)	0.3	11,853	0.1	-	-	-	-
1,276,051	10.5	1,168,224	10	825,490	8	928,982	10.1
(478,598)	3.9	(95,087)	0.8	(57,280)	0.6	(66,389)	0.7
(292,262)	2.4	(295,803)	2.6	(211,522)	2	(256,166)	2.8
505,191	4.2	777,334	6.6	556,688	5.4	606,427	6.6

STATEMENT OF VALUE ADDITION

	2022 Rupees in '000'	%	2021 Rupees in '000'	%
Value added				
Total Revenue inclusive of other income	16,834,980		14,327,197	
Supplies and other operating costs	8,828,276		8,083,955	
Total value added	8,006,704		6,243,242	
Value allocated				
To employees				
Salaries, wages and other benefits	5,827,983	72.8	4,803,017	76.8
To Government				
Income tax, sales tax and federal excise duty etc	738,458	9.2	484,734	7.8
To society				
Donation	25,000	0.3	-	-
To providers of capital				
Dividend to shareholders	94,822	1.2	-	-
Finance cost of borrowed funds	252,714	3.2	255,567	4.1
	347,536	4.4	255,567	4.1
Retained in the Company	1,067,727	13.3	699,924	11
Total value allocated	8,006,704	100	6,243,242	100





UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Shifa International Hospitals Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by Board of Directors of Shifa International Hospitals Limited (the Company) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the requirement contained in the Regulations as applicable to the company for the year ended 30 June 2022.



Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

September 30, 2022

UDIN: CR20221016424eHuEkKg

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of Shifa International Hospitals Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2022 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p>Revenue from contract with customers: (Refer to note 26 to the unconsolidated financial statements)</p> <p>The Company principally generates revenue from providing of inpatient and outpatient services and supply of medicines. We identified revenue recognition as a key audit matter because it is one of key performance indicator which gives rise to an inherent risk of misstatement.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the Company's processes and related internal controls for revenue recognition and tested the design, implementation and operating effectiveness of those controls; - Performed test of details of sampled revenue by inspecting the underlying supporting documents including medical record bills, sales report and bank statements; - Performed cut off procedures to ensure revenue has been recorded in the correct period; - Evaluated and tested on sample basis the authority metrics (controls) over changes in charge master; - Verified on sample basis the trade debts through obtaining confirmations from debtors and performing other alternate procedures; and - Assessed the appropriateness of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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



Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

September 30, 2022

UDIN: AR202210164tkOXaxgH3

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022	2021
		(Rupees in '000)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2021: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital	4	632,144	619,749
Capital reserves			
Share premium	5	2,738,888	2,751,283
Surplus on revaluation of property, plant and equipment	6	867,283	792,396
Revenue reserves			
Unappropriated profits		5,411,656	4,325,259
		9,649,971	8,488,687
NON - CURRENT LIABILITIES			
Long term financing - secured	7	1,273,101	2,360,408
Deferred taxation	8	342,828	350,314
Lease liabilities	9	694,285	607,038
		2,310,214	3,317,760
CURRENT LIABILITIES			
Trade and other payables	10	3,587,444	3,251,095
Unclaimed dividend		40,778	35,158
Markup accrued	11	35,658	16,913
Current portion of long term financing - secured	7	1,334,536	1,405,722
Current portion of lease liabilities	9	253,452	177,633
		5,251,868	4,886,521
		17,212,053	16,692,968
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022	2021
		(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	13	7,134,172	6,791,843
Intangible assets	14	53,365	31,343
Long term investments - at cost	15	3,918,618	3,178,758
Long term deposits	16	85,324	96,260
		11,191,479	10,098,204
CURRENT ASSETS			
Stores, spare parts and loose tools	17	210,189	165,312
Stock-in-trade	18	711,968	658,280
Trade debts	19	964,769	834,822
Loans and advances	20	235,814	337,659
Deposits, prepayments and other receivables	21	296,043	96,430
Markup accrued		2,129	677
Other financial assets	22	513,235	622,464
Tax refunds due from the government (net of provision)	23	448,042	471,366
Cash and bank balances	24	2,317,432	2,809,697
		5,699,621	5,996,707
Non - current assets held for sale	25	320,953	598,057
		17,212,053	16,692,968



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2022

	Note	2022 (Rupees in '000)	2021
Net revenue	26	16,197,551	14,219,718
Other income	27	637,429	107,479
Operating costs	28	(14,791,977)	(12,899,400)
Finance costs	29	(382,432)	(360,375)
Expected credit losses	21.3 & 39.1.3	(69,069)	(103,529)
Profit before taxation		1,591,502	963,893
Provision for taxation	30	(428,953)	(263,969)
Profit after taxation		1,162,549	699,924
Earnings per share - basic and diluted - (Rupees)	31	18.39	11.07

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	2022	2021
	(Rupees in '000)	
Profit after taxation	1,162,549	699,924
Other comprehensive income		
Items that will not be subsequently reclassified in statement of profit or loss		
Loss on remeasurement of staff gratuity fund benefit plan	(23,961)	(45,924)
Deferred tax relating to remeasurement of staff gratuity fund benefit plan	7,907	13,318
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)	(16,054)	(32,606)
Surplus on revaluation of property, plant and equipment	109,611	53,821
Total comprehensive income for the year	1,256,106	721,139

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	2022	2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,591,502	963,893
Adjustments for:		
Depreciation / amortization on tangible assets	902,448	865,473
Amortization on intangible assets	21,568	26,071
Expected credit losses	69,069	103,529
Property, plant and equipment written off	2,234	977
Gain on disposal of tangible assets	(69,269)	(41,975)
Provision for compensated absences	67,049	46,378
Provision for bonus for employees	125,814	190,931
Provision for gratuity	159,116	143,917
Provision for slow moving stores	2,687	6,161
Liabilities written back	-	(478)
Gains on investments and bank deposits	(97,922)	(31,280)
(Gain) / loss on foreign currency translation	(416,217)	116,336
Finance costs	382,432	360,375
Operating cash flows before changes in working capital	2,740,511	2,750,308
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(47,564)	(19,264)
Stock-in-trade	(53,688)	(11,927)
Trade debts	(158,832)	(386,945)
Loans and advances	101,845	57,527
Deposits, prepayments and other receivables	(251,637)	(42,556)
Increase in current liabilities:		
Trade and other payables	243,118	15,649
Cash generated from operations	2,573,753	2,362,792
Finance cost paid	(275,712)	(305,325)
Income tax paid	(405,208)	(332,473)
Payment to SIHL Employees' Gratuity Fund	(241,218)	(134,468)
Compensated absences paid	(49,695)	(40,845)
Net cash generated from operating activities	1,601,920	1,549,681

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	Note	2022 (Rupees in '000)	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment (PPE)		(672,903)	(518,537)
Addition to intangibles		(43,590)	-
Outlay against long term investments		(739,860)	(245,234)
Proceeds / (investment) in other financial assets		165,124	(596,666)
Proceeds from disposal of PPE and items classified held for sale		251,206	231,424
Markup received		15,112	8,058
Dividend received		25,463	-
Decrease in long term deposits		6,573	3,898
Net cash used in investing activities		(992,875)	(1,117,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(1,417,563)	(381,608)
Long term financing - proceeds		212,009	633,450
Deferred grant received		47,060	82,630
Lease liabilities - repayments		(269,831)	(234,608)
Dividend paid		(89,202)	(1,507)
Net cash (used in) / generated from financing activities		(1,517,527)	98,357
Net (decrease) / increase in cash and cash equivalents		(908,482)	530,981
Cash and cash equivalents at beginning of the year		2,812,697	2,398,052
Effect of exchange rate changes on cash and cash equivalents		416,217	(116,336)
Cash and cash equivalents at end of the year	37	2,320,432	2,812,697

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Un-appropriated profits	Total
(Rupees in '000')					
Balance as at July 01, 2020	619,749	2,751,283	760,346	3,636,170	7,767,548
Total comprehensive income for the year					
Profit after taxation	-	-	-	699,924	699,924
Other comprehensive income - net of tax	-	-	53,821	(32,606)	21,215
	-	-	53,821	667,318	721,139
Realization of revaluation surplus on disposal of assets	-	-	(12,541)	12,541	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(9,230)	9,230	-
Distribution to owners					
Dividend 2020: Nil	-	-	-	-	-
Balance as at June 30, 2021	619,749	2,751,283	792,396	4,325,259	8,488,687
Balance as at July 01, 2021	619,749	2,751,283	792,396	4,325,259	8,488,687
Total comprehensive income for the year					
Profit after taxation	-	-	-	1,162,549	1,162,549
Other comprehensive income - net of tax	-	-	109,611	(16,054)	93,557
	-	-	109,611	1,146,495	1,256,106
Realization of revaluation surplus on disposal of assets	-	-	(24,883)	24,883	-
Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortization	-	-	(9,841)	9,841	-
Distribution to owners					
Bonus shares (note 4.2)	12,395	(12,395)	-	-	-
First interim dividend @ Rs. 1.5 per share	-	-	-	(94,822)	(94,822)
Balance as at June 30, 2022	632,144	2,738,888	867,283	5,411,656	9,649,971

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

1 STATUS AND NATURE OF BUSINESS

1.1 Shifa International Hospitals Limited (the Company/SIHL) was incorporated in Pakistan on September 29, 1987 as a private limited company under the repealed Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Sector H-8/4, Islamabad.

1.2 The principal activity of the Company is to establish and run medical centers and hospitals in Pakistan. The Company has established its first hospital in 1993 in H-8/4 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4 Islamabad. The Company is also running medical centers, pharmacies and Lab collection points in different cities of Pakistan.

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

H-8 Hospital, Pitrak Bukhari road, Sector H-8/4, Islamabad
Faisalabad Hospital, Main Jaranwala road, Faisalabad
G-10/4 Hospital, G-10 Markaz, Islamabad
Shifa Pharmacy, Opposite OPF College, F-8 Markaz Islamabad
Shifa Pharmacy, Saidpur, Rawalpindi
Shifa Pharmacy, Blue Area, Islamabad
Shifa Pharmacy, Gulberg Greens, Islamabad
Shifa Pharmacy, Abbottabad Road, Mansehra
Shifa Pharmacy Iskandarabad, Mianwali
Shifa Pharmacy, National Radio Telecommunication Corporation, Haripur
Shifa Pharmacy, Jamrud, Peshawar
Shifa Pharmacy, WAPDA, Mangla
Shifa Pharmacy, WAPDA, Faisalabad
F-11 Medical center, Savoy Arcade, F-11 Markaz Islamabad

Percentage share in total revenue given in note 26.	2022	2021
Islamabad	97%	97%
Faisalabad	3%	3%
	100%	100%

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

Judgments made by management in the application of the accounting and reporting standards that have significant effect on the unconsolidated financial statements and estimates with a significant risk of material adjustment in the next year are as follows.

- i) Estimate of fair value of financial liabilities at initial recognition - notes 3.3 and 7
- ii) Provision for taxation - notes 3.4, 8 and 30
- iii) Right of use asset and corresponding lease liability - notes 3.5, 9 and 13
- iv) Employee benefits - notes 3.7, 10.3 and 10.4
- v) Provisions and contingencies - notes 3.8, 3.9 and 12
- vi) Estimate of useful life of property, plant and equipment - notes 3.10 and 13
- vii) Estimate of useful life of intangible assets - notes 3.11 and 14
- viii) Impairment of non-financial assets - note 3.12
- ix) Estimate of recoverable amount of investment in subsidiaries and associated companies - notes 3.13 and 15
- x) Expected credit loss allowance - notes 3.14.2, 21.3 and 39.1.3
- xi) Provision for slow moving spares - notes 3.15, 3.16, 13.9.2 and 17

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

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

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

		Effective date annual reporting periods beginning on or after
IAS 1	Amendments to 'IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies	January 1, 2023
	Amendments to IAS 1 'Presentation of Financial Statements' Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IAS 41, IFRS (1, 9 & 16)	Annual improvements to IFRS Standards 2018-2020	January 1, 2022
IFRS 10 & IAS 28	Sale or contribution of assets between an investor and its associate or joint venture – Amendments	'n/a*

* The Effective date is not yet issued

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

2.5.3 Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2022:

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Share capital and dividend

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

3.2 Financing and finance cost

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

3.3 Government grants

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

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

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the finance cost are recognized and finance cost are reported net of grant in - note 29.

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

3.4 Taxation

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Current

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

Deferred

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

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

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

3.5 Leases

3.5.1 Right of use assets

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

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.5.2 Lease liability

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

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

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

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

3.6 Trade and other payable

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

3.7 Employee benefits

Defined benefit plan

The Company operates approved funded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the statement of profit or loss. The most recent valuation was carried out as at June 30, 2022 using the "Projected Unit Credit Method". The actuarial gains or losses at each evaluation date are charged to other comprehensive income. The results of actuarial valuation are summarized in note 10.4 of these financial statements.

The amount recognized in the balance sheet represents the present value of defined benefit obligations as reduced by the fair value of plan assets.

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

During the year the Company has introduced a pension fund benefit in form of monthly contribution into private pension scheme (defined contribution plan) in place of existing staff gratuity benefit (defined benefit plan) for its full time management employees (contractual and regular). In response till the year end majority of management employees have opted the pension fund benefit and accordingly their gratuity obligations have been cleared from the SIHL gratuity fund which resulted into settlement loss of Rs. 37.7 million in unconsolidated statement of profit or loss. The employees who are currently covered under gratuity benefit not opting the pension benefit option will continue under gratuity scheme while new employee shall solely be covered under pension scheme after completing minimum eligibility criteria of their employment.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan where monthly contribution equal to 1/12th of eligible salary are made by the Company in employees' pension fund account maintained with designated asset management company and recognized as expense in the unconsolidated statement of profit or loss as and when they become due.

Compensated absences

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

3.8 Provisions

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

3.9 Contingencies

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.10 Property, plant and equipment

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

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

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

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

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

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

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.11 Intangible assets

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

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

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

3.12 Impairment of non - financial assets

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

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

3.13 Investments

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

3.13.1 Investment in subsidiaries

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

3.13.2 Investment in associate

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

3.14 Financial assets

Initial measurement

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

The Company classifies its financial assets into following three categories:

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

Subsequent measurement

i) Debt instrument at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

ii) Equity instrument at FVOCI

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

iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

iv) Financial asset at amortized cost

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

3.14.1 Other financial assets

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

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

3.14.2 Impairment of financial assets

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

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

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

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

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

3.14.3 Derecognition

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

3.14.4 Financial liabilities

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

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

3.14.5 Off-setting financial assets and financial liabilities

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

3.15 Stores, spare parts and loose tools

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.16 Stock-in-trade

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

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

3.17 Trade debts, loans, deposits, interest accrued and other receivables

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

3.18 Cash and cash equivalents

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

3.19 Non - current assets held for sale

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

3.20 Foreign currencies

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

3.21 Operating segment

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.22 Revenue recognition

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

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

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

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

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

Scrap sales and miscellaneous receipts are recognized on realized amounts.

3.23 Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

3.24 Earnings per share

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

3.25 Fair value measurement

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

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

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

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

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

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

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs.10 each.

2022	2021		2022	2021
Number			(Rupees in '000)	
61,974,886	61,974,886	Opening balance	619,749	619,749
1,239,497	-	Bonus shares issued during the year	12,395	-
63,214,383	61,974,886	Closing balance	632,144	619,749

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

4.2 During the year, Company issued bonus shares at the rate of 2% in proportion of one ordinary share for every fifty shares held (total 1,239,497 bonus shares having face value of Rs. 10 each) as approved in Annual General Meeting held on October 28, 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

4.3 7,436,986 (2021: 7,436,986) ordinary shares representing 12% (2021: 12%) shareholding in the Company are owned by International Finance Corporation (IFC). IFC has the right to nominate one director at the board of directors of the Company as long as IFC holds ordinary shares representing 5% of total issued share capital of the Company. Further, the Company if intends to amend or repeal the memorandum and articles, effects the rights of IFC on its shares issuance of preference shares ranking seniors to the equity securities held by IFC, incur any financial debt to any shareholder, change the nature of the business of the Company etc. shall seek consent of IFC.

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

5 SHARE PREMIUM

This comprise of share premium of Rs. 5, Rs. 250 and Rs. 229.29 per share received on issue of 8,000,000, 4,024,100 and 7,436,986 ordinary shares of Rs. 10 each in the years 1994, 2016 and 2020 respectively. Out of the above the Company during the current year has issued bonus shares at the rate mentioned in note 4.2 above. The balance reserve cannot be utilized except for the purposes mentioned in section 81 of the Companies Act, 2017.

	2022	2021
6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	(Rupees in '000)	
Balance at beginning of the year	792,396	760,346
Revaluation surplus during the year	109,611	53,821
Realization of revaluation surplus on disposal of assets	(24,883)	(12,541)
Transferred to unappropriated profits in respect of incremental depreciation / amortization charged during the year	(9,841)	(9,230)
Balance at end of the year	867,283	792,396

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

7	LONG TERM FINANCING - SECURED	Note	2022	
			(Rupees in '000)	
	From banking companies and non banking financial institution:			
	Syndicated Islamic Finance Facility	7.1	1,283,907	1,854,086
	Diminishing Musharakah Facility-1	7.2	250,754	434,274
	Diminishing Musharakah Facility-2	7.3	416,667	500,000
	Diminishing Musharakah Facility-3	7.4	26,160	-
	Refinance Facility to Combat COVID-19 (RFCC)	7.5	88,194	-
	Deferred income - Government grant		29,483	-
			117,677	-
	Islamic Refinance Facility to Combat Covid-19 (IRFCC)	7.6	128,952	127,789
	Deferred income - Government grant		20,014	25,526
			148,966	153,315
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	7.7	34,209	-
	Deferred income - Government grant		11,775	-
			45,984	-
	State Bank of Pakistan (SBP) - refinance scheme	7.8	311,283	780,354
	Deferred income - Government grant		6,239	44,101
			317,522	824,455
			2,607,637	3,766,130
	Less: current portion		1,334,536	1,405,722
			1,273,101	2,360,408

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

7.2 This include outstanding balance of Rs. 210.4 million (2021: Rs. 405.3 million) against the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (2021: Rs. 442.9 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (2021: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery. The unavailed limit of this facility is Rs. 20.7 million (2021: Rs. 19.6 million). This also includes an outstanding balance of Rs. 40.3 million (2021: Rs. 28.9 million) against long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 57.7 million (2021: Rs. 37.6 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (2021: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is Rs. 12.3 million (2021: Rs. 32.4 million).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

7.3 This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (2021: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the Company.

7.4 This represents a long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 26.2 million (2021: Nil). Principal amount is repayable in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.70% (2021: Nil) per annum. The financing is secured by ranking charge of Rs. 800 million against plant and machinery being financed under DM facility to be installed / placed at Hospital located in H-8/4, Islamabad. The charge will be upgraded to first exclusive charge against plant and machinery being financed under this facility. The unavailed limit of this facility is Rs. 492.9 million (2021: Nil).

7.5 This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 124.6 million (2021: Nil). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly installments carrying profit at 1% (2021: Nil) 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 Rs. 75.4 million (2021: Rs. 200 million). Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using the Company's effective profit rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	-	-
Received during the year	29,857	-
Amortization during the year	(374)	-
Balance at end of the year	29,483	-

7.6 This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 183.1 million (2021: Rs. 153.3 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid by December 29, 2025 in 18 equal quarterly installments with no profit rate. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the Company (excluding land and building). The unavailed limit of this facility is Rs. 16.9 million (2021: Rs. 34.9 million). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognized at present value using the Company's effective profit rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	25,526	-
Received during the year	5,140	29,847
Amortization during the year	(10,652)	(4,321)
Balance at end of the year	20,014	25,526

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

7.7 This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (2021: Nil) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by ranking charge of Rs. 55 million over equipment / machinery against DM IRFCC. The unavailed limit of this facility is Nil (2021: Rs. 17.4 million). Since the financing under SBP refinance scheme carries the profit rate below the market rate, the loan has been recognized at present value using the Company's effective profit rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	-	-
Received during the year	12,063	-
Amortization during the year	(288)	-
Balance at end of the year	11,775	-

7.8 This represents the outstanding balance of long term finance facility aggregating to Rs. 1,012.2 million (2021: Rs. 1,012.2 million) obtained from United Bank Limited under the State Bank of Pakistan's (SBP) temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19. The Company has availed the financing in six tranches from April 2020 to September 2020 at a subsidized markup rate of 0.85% per annum. The financing is repayable in 08 equal quarterly installments starting from January 2021 and shall be fully settled by January 31, 2023. The facility is secured by first pari passu charge of Rs. 1,333.3 million over fixed assets (excluding land and building) of the Company. Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using the Company's effective interest rate along with the recognition of government grant as detailed below:

	2022	2021
	Note	(Rupees in '000)
Balance at beginning of the year	44,101	53,193
Received during the year	-	52,783
Amortization during the year	(37,862)	(61,875)
Balance at end of the year	6,239	44,101

8 DEFERRED TAXATION			
	8.1	8.2	
Deferred tax liability	8.1	525,157	504,648
Deferred tax asset	8.2	(182,329)	(154,334)
Net deferred tax liability		342,828	350,314

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		2022	2021
		(Rupees in '000)	
8.1	Deferred tax liability on taxable temporary differences: Accelerated depreciation / amortization allowance	525,157	504,648
8.2	Deferred tax asset on deductible temporary differences: Right of use assets net of lease liabilities Specific provisions Retirement benefit obligation	(34,728) (83,762) (63,839)	(13,428) (67,944) (72,962)
		(182,329)	(154,334)
8.3	Movement in deferred taxation		
	Deferred tax liabilities / (assets)	Opening balance	Statement of profit or loss
			Other comprehensive Income
			Closing balance
	2022	(Rupees in '000)	
	The balance of deferred tax is in respect of following temporary differences:		
	Effect of taxable temporary differences Accelerated depreciation / amortization allowance	504,648	20,509
	Effect of deductible temporary differences Right of use assets net of lease liabilities Specific provisions Retirement benefit obligation	(13,428) (67,944) (72,962)	(21,300) (15,818) 17,030
		350,314	421
			(7,907)
			342,828
	2021		
	The balance of deferred tax is in respect of following temporary differences:		
	Effect of taxable temporary differences Accelerated depreciation / amortization allowance	534,882	(30,234)
	Effect of deductible temporary differences Right of use assets net of lease liabilities Specific provisions Retirement benefit obligation	9,104 (48,087) (56,904)	(22,532) (19,857) (2,740)
		438,995	(75,363)
			(13,318)
8.4	Deferred tax assets and liabilities on temporary differences are measured at the rate of 33% (2021: 29%).		350,314

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

9	LEASE LIABILITIES	2022	2021
		(Rupees in '000)	(Rupees in '000)
Balance at beginning of the year	784,671	565,518	
Addition / modification during the year	347,377	380,841	
Interest expense	87,980	72,920	
Terminated during the period	(2,460)	-	
Payment during the year	(269,831)	(234,608)	
Balance at end of the year	947,737	784,671	
Less: current portion	253,452	177,633	
	694,285	607,038	

9.1 Lease liabilities are payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
		(Rupees in '000)	
2022			
Less than one year	301,760	48,308	253,452
Between one and five years	697,031	170,343	526,688
More than five years	309,919	142,322	167,597
	1,308,710	360,973	947,737
2021			
Less than one year	284,989	107,356	177,633
Between one and five years	622,811	176,481	446,330
More than five years	293,587	132,879	160,708
	1,201,387	416,716	784,671

9.2 The year-end balance of lease liabilities include a balance of Rs. 338.8 million (2021: Rs. 397.9 million) in respect of building obtained under a lease arrangement from Shifa Neuro Sciences Institute Islamabad (Private) Limited for period of six years. Related amounts include lease modification of Nil (2021: Rs. 268.8 million) interest expense of Rs. 35.3 million (2021: Rs. 29.7 million) and lease payments of Rs. 97.0 million (2021: Rs. 64.7 million).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

10	TRADE AND OTHER PAYABLES	Note	2022	2021
			(Rupees in '000')	
	Creditors	10.1	1,712,321	1,523,919
	Accrued liabilities		584,755	473,803
	Advances from customers		293,743	272,842
	Medical consultants' charges		511,357	493,854
	Security deposits	10.2	118,712	112,835
	Compensated absences	10.3	131,211	113,857
	Defined contribution plan		29,188	-
	Retention money		12,704	8,391
	Payable to Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund (the Fund)	10.4	193,453	251,594
			3,587,444	3,251,095
10.1	This include payable to related parties (unsecured) as detailed below:			
	Tameer -e- Millat Foundation (TMF)		11,660	13,073
	Shifa Tameer -e- Millat University (STMU)		6,458	5,041
	Shifa Development Services (Private) Limited (SDSPL)		-	44,607
			18,118	62,721
10.2	This include security deposits retained from employees of Rs. 37,095 thousand (2021: Rs. 33,219 thousand) held in separate bank account and balances obtained from customers of Rs. 81,617 thousand (2021: Rs. 79,616 thousand) that are utilizable for the purpose of the business in accordance with agreements with customers.			
10.3	Compensated absences	Note	2022	2021
			(Rupees in '000')	
	Balance at beginning of the year		113,857	108,324
	Provision made for the year		67,049	46,378
			180,906	154,702
	Payments made during the year		(49,695)	(40,845)
	Balance at end of the year		131,211	113,857
10.4	The amount recognized in the unconsolidated statement of financial position:			
	Present value of defined benefit obligation	10.4.1	398,711	798,687
	Fair value of plan assets	10.4.2	(205,258)	(547,093)
			193,453	251,594

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

			2022	2021
		Note	(Rupees in '000)	
10.4.1	Movement in the present value of defined benefit obligation:			
	Balance at beginning of the year		798,687	667,697
	Interest cost		47,760	53,470
	Current service cost		105,084	128,179
	Past service cost		-	4,852
	Benefits paid / adjusted	3.7	(608,160)	(77,096)
	Benefits payable		(1,725)	(1,840)
	Loss arising on plan settlements	3.7	37,717	-
	Remeasurement loss on defined benefit obligation		19,348	23,425
	Balance at end of the year		398,711	798,687
10.4.2	Movement in the fair value of plan assets:			
	Balance at beginning of the year		547,093	471,476
	Expected return on plan assets		31,445	42,584
	Contributions		241,218	134,468
	Benefits paid		(608,160)	(77,096)
	Benefits paid / adjusted		(1,725)	(1,840)
	Remeasurement loss on plan assets		(4,613)	(22,499)
	Balance at end of the year		205,258	547,093
10.4.3	Charge for the year:			
	Current service cost		105,084	128,179
	Interest cost		47,760	53,470
	Past service cost		-	4,852
	Loss arising on plan settlements		37,717	-
	Expected return on plan assets		(31,445)	(42,584)
			159,116	143,917
10.4.4	Remeasurements recognized in other comprehensive income (OCI):			
	Remeasurement loss on obligation		19,348	23,425
	Remeasurement loss on plan assets		4,613	22,499
	Remeasurement loss recognized in OCI		23,961	45,924
10.4.5	Movement in liability recognized in unconsolidated statement of financial position:			
	Balance at beginning of the year		251,594	196,221
	Charge for the year		159,116	143,917
	Remeasurement recognized in OCI during the year		23,961	45,924
	Contributions during the year		(241,218)	(134,468)
	Balance at end of the year		193,453	251,594

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022	2021
		(Rupees in '000)	
10.4.6	Plan assets comprise of:		
	Term deposit receipts	133,892	388,947
	Ordinary shares of SIHL	10.4.6.1 14,056	16,858
	Cash and bank balances	68,619	143,128
	Payable to outgoing members	(11,309)	(1,840)
		205,258	547,093

10.4.6.1 Number of ordinary shares held by the Fund at year end were 78,461 shares (2021: 76,923 shares) with market value of Rs. 179.14 (2021: Rs. 219.15) per share.

		2022	2021
10.4.7	Principal actuarial assumptions used in the actuarial valuation:		
	Discount rate used for interest cost in profit or loss	11.75%	8.50%
	Discount rate used for year end obligation	13.25%	10.00%
	Expected rate of salary growth		
	Salary increase FY 2022	N/A	7.00%
	Salary increase FY 2023-2025	9.25%	9.00%
	Salary increase FY 2026 onward	11.25%	9.00%
	Mortality rate	SLIC 2001-2005 set back 1 year	SLIC 2001-2005 set back 1 year
	Withdrawal rates	Age based	Age based
	Retirement assumption	Age 60	Age 60

10.4.8 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of a change in respective assumptions by one percent.

	2022		2021	
	Defined benefit obligation		Defined benefit obligation	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
(Rupees in '000)				
Discount rate	373,013	427,045	741,390	864,740
Future salary increase	427,576	372,149	865,362	739,826

10.4.9 The average duration of the defined benefit obligation as at June 30, 2022 is 8.5 years (2021: 8 years).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

10.4.10 Risk associated with the scheme

Final salary risk

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

Demographic risks

a) Mortality risk

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

b) Withdrawal risk

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

c) Investment risk

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

		2022	2021
		(Rupees in '000)	
11	MARKUP ACCRUED		
	Long term financing - secured	35,658	16,913
12	CONTINGENCIES AND COMMITMENTS		
12.1	Contingencies		
12.1.1	Claims aggregating to Rs. 3 million (2021: Rs. 3 million) are pending before Peshawar and Islamabad High Courts by patients / others against the Company for alleged negligence on part of the consultants / doctors etc. The management of the Company is contesting these claims and believes that the contention of the claimants will not be successful and no material liability is likely to arise.		
12.1.2	The penalty of Rs. 20 million (2021: Rs. 20 million) imposed on June 06, 2012 by Competition Commission of Pakistan (CCP) to each Gulf Cooperation Council's (GCC) Approved Medical Centers (GAMCs) including SIHL on account of alleged non-competitive practice of territorial division and equal allocation of GAMCs customers. Management of the Company and other GAMCs are jointly contesting the matter which is pending before the August Supreme Court of Pakistan for decision and management of the Company firmly believe that the case will be decided in favor of the GAMCs including SIHL.		
12.1.3	The guarantees issued by banks in favor of Sui Northern Gas Pipelines Limited (SNGPL), Oil and Gas Development Company Limited (OGDCL) and Pakistan Telecommunication Company Limited (PTCL) of aggregate sum of Rs. 43.35 million (2021: Rs. 43.35 million) on behalf of the Company in its ordinary course of business.		

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

12.1.4.1 Tax authorities has amended the assessments for tax years 2012, 2013, 2014, 2015, 2016 and 2019 under section 122(5A)/124 of Income Tax Ordinance, 2001 (the Ordinance) and raised tax demands of Rs. 6.4 million, Rs. 97 million, Rs. 85.5 million, Rs. 26.1 million, Rs. 85.4 million and Rs. 37 million respectively. Being aggrieved the Company agitated the assessments in appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] who partly confirmed the assessments and partly allowed relief to the Company while confirmed the assessment for tax year 2015. The Company being aggrieved filed appeals against the appellate orders before the Appellate Tribunal Inland Revenue [ATIR] on various dates from September 2018 to November 2021 which are pending adjudications.

12.1.4.2 Tax authorities levied tax of Rs. 109.6 million, Rs. 178.4 million, Rs. 27.4 million and Rs. 29.2 million under section 161/205 of the Ordinance for tax year 2016, 2014, 2013 and 2012 respectively on account of alleged non deduction of tax on payments. Being aggrieved the Company agitated the assessments in appeals before the CIR(A) who in respect of tax year 2012 has deleted the assessment, while set aside the assessment for tax year 2013, confirmed the assessment for tax year 2014 and appeal for tax year 2016 filed on July 27, 2022 is a pending adjudication. The Company being aggrieved filed appeals for tax years 2013 and 2014 before ATIR where appeal for tax year 2013 filed on November 26, 2019 is pending adjudication, while ATIR has set aside the assessment for tax year 2014 for denovo consideration.

12.1.4.3 Tax authorities amended the assessments for tax years 2012, 2013 and from 2015 to 2017 u/s 122(5) of the Ordinance and raised aggregate tax demand of Rs. 1,350.9 million. Being aggrieved the Company agitated the assessments in appeals before the CIR(A) who annulled all the assessment orders and hence demand stand deleted. Being dissatisfied with order of the CIR(A), the tax department has filed appeal before ATIR on November 15, 2018, which is pending adjudication.

12.1.4.4 The Assistant Commissioner Inland Revenue (ACIR) has amended the Company's assessment for tax year 2014 and 2015 u/s 221 of the Ordinance which has resulted an aggregate tax demand of Rs. 11.8 million. Being aggrieved, the Company has filed appeals before CIR (A) who remanded back the said assessments to ACIR. The Company as well as the tax department have filed cross appeals against the CIR(A) order before the ATIR in January 2018, which is pending adjudication.

12.1.4.5 Tax authorities amended the assessment for tax year 2014 u/s 177 of the Ordinance and raised a tax demand of Rs. 1,143.8 million. Being aggrieved the Company agitated the assessment in appeal before the CIR (A) who annulled the assessment order and hence tax demand stand deleted as of today. The tax department has filed an appeal before ATIR on November 27, 2019, against the decision of CIR(A) which is pending adjudication.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

12.1.4.6 Tax authorities raised a sales tax demand of Rs. 44.4 million, Rs. 56.2 million, Rs. 57.4 million, Rs. 55.9 million and Rs. 11.3 million under section 11 of the Sales Tax Act, 1990 on account of alleged non-payment of sales tax for tax years 2016 to 2020 respectively. Being aggrieved the Company agitated the assessments in appeals before CIR(A). For tax year 2017 to 2020 CIR(A) partially confirmed the judgements of DCIR while deleted the assessment for tax year 2016. Being aggrieved Company has filed appeals before ATIR for tax years 2018 and 2020 who in respect of tax year 2018 partially confirmed the assessment and partly allowed relief to the Company whereas appeal for tax year 2020 filed on December 13, 2021 is pending adjudication.

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

		2022	2021
		(Rupees in '000')	
12.2	Commitments		
12.2.1	Capital expenditure contracted	135,129	45,109
12.2.2	Letters of credit	138,470	79,116

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Particulars	Note	Freehold land	Leasethold land	Building on leasehold land	Leasehold improvements	Biomedical equipment	Air conditioning equipment and other equipment	Electrical and other equipment	Furniture and fittings	Construction equipment	Computer installations	Vehicles	Capital work-in-progress (note 13.9)	Office premises	Electrical equipment	Total	Right of use assets	
																	(Rupees in '000)	
Cost / Revalued amount																		
Balance as at July 01, 2020		540,600	914,701	58,898	2,616,071	61,610	4,181,797	475,852	692,464	216,711	2,788	534,848	119,446	325,931	703,146	57,000	11,501,863	
Additions		-	12,815	41,006	-	-	-	-	-	24,963	11,548	-	30,469	8,701	353,273	392,422	-	910,063
Revaluation		-	-	-	-	-	-	-	(4,400)	-	-	(419)	(9,741)	-	-	-	(53,821)	
Disposals		-	-	-	-	-	(3,535)	(7)	(3,511)	(182)	-	(2,773)	-	-	-	-	(14,560)	
Write offs		-	-	-	-	-	255,719	-	11,534	212	-	547	2,000	(270,012)	-	-	(10,008)	
Transfers		-	-	-	-	-	-	-	(5,000)	-	-	-	-	-	-	-	(5,000)	
Transfers to SDSPL		(292,072)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(292,072)	
Reclassified as held for sale		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at June 30, 2021		261,343	955,707	58,898	2,616,071	61,610	4,493,801	504,712	721,050	223,289	2,788	562,672	120,406	409,192	1,095,568	57,000	12,144,107	
Balance as at July 01, 2021		261,343	955,707	58,898	2,616,071	61,610	4,493,801	504,712	721,050	223,289	2,788	562,672	120,406	409,192	1,095,568	57,000	12,144,107	
Additions		-	-	-	-	22,386	118,418	7,438	44,883	8,758	223	60,646	23,194	386,757	388,187	-	1,041,090	
Revaluation		55,557	54,064	-	-	-	-	-	-	-	-	-	-	-	-	-	109,611	
Reclassified from held for sale		13.7	104,378	-	-	-	-	(12,801)	-	-	-	-	(532)	(2,029)	-	-	104,378	
Disposals		-	-	-	-	-	-	(13,451)	(4,032)	(1,213)	(132)	-	(3,423)	-	-	-	(15,362)	
Termination of lease / transfer		-	-	-	-	-	-	35,203	-	4,039	1,067	-	12,205	-	(52,514)	-	(11,842)	
Write offs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,251)	
Transfers		421,278	1,009,761	58,898	2,616,071	84,196	4,621,170	508,118	768,759	232,982	3,011	631,568	141,571	743,435	1,451,913	57,000	13,349,731	
Depreciation / amortization																		
Balance as at July 01, 2020		-	89,005	982	711,499	27,972	2,179,665	253,375	466,225	125,078	1,639	375,382	94,505	-	173,516	11,084	4,509,927	
Charge for the year		-	12,018	2,945	75,854	12,322	330,331	49,920	58,434	17,452	250	67,758	8,589	-	210,600	19,000	865,473	
On disposals		-	-	-	-	-	-	(2,892)	(3)	(4,400)	-	(419)	(9,286)	-	-	-	(14,105)	
On write offs		-	-	-	-	-	-	-	(3,211)	(158)	-	(2,767)	-	-	-	-	(9,031)	
Balance as at June 30, 2021		-	101,023	3,927	787,353	40,294	2,507,104	303,292	517,048	142,372	1,889	439,954	93,808	-	384,116	30,084	5,352,264	
Balance as at July 01, 2021		-	101,023	3,927	787,353	40,294	2,507,104	303,292	517,048	142,372	1,889	439,954	94,505	-	173,516	11,084	4,509,927	
Charge for the year		-	12,770	2,944	74,401	12,511	335,151	52,083	57,974	17,033	272	68,489	11,178	-	238,642	19,000	902,448	
On disposals		-	-	-	-	-	-	(11,866)	-	-	-	(316)	(1,523)	-	-	-	(13,705)	
Termination of lease		-	-	-	-	-	-	-	-	-	-	-	(3,386)	-	(5,431)	-	(5,431)	
On write offs		-	113,793	6,871	861,754	52,805	2,818,624	351,779	573,853	159,304	2,161	504,741	103,463	-	617,327	49,084	2,017)	
Balance as at June 30, 2022		-	261,343	854,684	54,971	1,828,718	21,316	1,986,697	201,420	204,002	80,917	899	122,718	26,598	409,192	711,452	26,916	
Carrying value as at June 30, 2021		-	421,278	895,968	52,027	1,754,317	31,391	1,802,546	156,339	194,906	73,678	850	126,827	38,108	743,435	834,586	7,916	
Balance as at June 30, 2022		-	1,343,03	25,10	25,10	20	10	10-15	10-15	10-20	25	20	-	-	-	-	333	
Annual rate of depreciation %		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

13.1 Freehold and leasehold lands were revalued on June 30, 2022 by an independent professional valuer using the fair market value basis which resulted increases in surplus by Rs. 55,557 thousand and Rs. 54,054 thousand respectively. Total unamortized surplus against the revaluation of freehold and leasehold lands as at June 30, 2022 stood at Rs. 1,057,830 thousand (2021: Rs. 948,219 thousand).

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

	Cost	Accumulated amortization	Carrying value
Freehold land			(Rupees in '000)
June 30, 2022	337,690	-	337,690
June 30, 2021	234,928	-	234,928
Leasehold land			
June 30, 2022	197,646	8,067	189,579
June 30, 2021	197,646	5,198	192,448

13.3 Particulars of Company's freehold and leasehold lands are as follow:

		2022	2021
Location	Nature	Area (Kanal)	
Shifa Cooperative Housing Society, Islamabad Expressway	Freehold land	2	2
Motorway, Mouza Noon, Islamabad	Freehold land	100	100
Faisalabad Motorway	Freehold land	48.2	-
H-8/4, Islamabad *	Leasehold land	87.8	87.8

*The covered area include multi-storey buildings.

13.4 Property, plant and equipment include items with aggregate cost of Rs. 2,370,718 thousand (2021: Rs. 2,055,773 thousand) representing fully depreciated assets that are still in use of the Company.

13.5 Property, plant and equipment of the Company are encumbered under an aggregate charge of Rs. 7,665.6 million (2021: Rs. 6,810.6 million) in favor of lenders under various financing arrangements as disclosed in note 7.

13.6 The forced sale values (FSV) of the revalued leasehold and freehold lands have been assessed at Rs. 716,774 thousand (2021: Rs. 683,747 thousand) and Rs. 337,023 thousand (2021: Rs. 209,074 thousand) respectively.

13.7 Freehold land measuring 48.2 kanals located at Motorway Faisalabad (Note 25) re-classified to property, plant and equipment as the sale is not probable to be completed within next twelve months.

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Asset particulars / Location	Note	Cost / revalued amount	Carrying value	Sale proceeds	Gain on disposal	Purchaser	Mode of Disposal
(Rupees in '000')							
Islamabad Motorway Land	25.2	109,239	109,239	116,520	7,281	Various third parties through Softsys (Private) Limited	Negotiation
Shifa Cooperative Housing Society	25.2	63,489	63,489	131,200	67,711	Various third parties	Negotiation
		172,728	172,728	247,720	74,992		
Other assets having carrying value less than Rs. 500 thousand	13	15,362	1,657	3,486	1,829		
2022		188,090	174,385	251,206	76,821		
2021		203,554	189,449	231,424	41,975		
2022 2021							
13.9 Capital work-in-progress			Note			(Rupees in '000')	
Construction work-in-progress			13.9.1		305,602		135,776
Stores held for capital expenditure			13.9.2		976		976
Installation of equipment in progress					436,857		272,440
					743,435		409,192
13.9.1	This include Rs. 132,788 thousand (2021: Rs. 127,433 thousand) paid to Shifa Development Services (Private) Limited on account of design and building works under two separate agreements with the Company.						
13.9.2 Stores held for capital expenditure			Note			(Rupees in '000')	
Stores held for capital expenditure					4,524		4,524
Less: provision for slow moving items			13.9.2.1		3,548		3,548
					976		976
13.9.2.1	Balance at beginning of the year Charged during the year Balance at end of the year						
					3,548		2,651
					-		897
					3,548		3,548

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	INTANGIBLE ASSETS	Note	2022	2021
			(Rupees in '000')	
14	Softwares in use	14.1	13,990	31,343
	Software under development	14.2	39,375	-
			53,365	31,343
14.1	Softwares in use			
	Cost			
	Balance at beginning of the year		105,185	105,185
	Addition during the year		4,215	-
	Balance at end of the year		109,400	105,185
	Accumulated Amortization			
	Balance at beginning of the year		73,842	47,771
	Charged during the year		21,568	26,071
	Balance at end of the year		95,410	73,842
	Net book value		13,990	31,343
14.2	Software under development			
	Balance at beginning of the year		-	-
	Addition during the year	14.2.1	39,375	-
	Balance at end of the year		39,375	-
14.2.1	This represents the amount paid to Shifa Care (Private) Limited for provision of Hospital Supply Chain Management system (HSCM). Out of total scope, three sub modules of HSCM have been developed and the integration of the aforesaid modules with existing Hospital Management Information System (HMIS) is in progress and expected to be functional during the next financial year.			
14.3	Amortization of softwares in use has been recorded at rate of 25 % (2021: 25%) per annum.			
14.4	Intangible assets include items with aggregate cost of Rs. 39,132 thousand (2021: Rs. 10,810 thousand) representing fully amortized asset that are still in use of the Company.			

	LONG TERM INVESTMENT - AT COST	Note	2022	2021
			(Rupees in '000')	
15	In subsidiary companies (unquoted):			
	Shifa Development Services (Private) Limited (SDSPL)	15.2	9,966	9,966
	Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	15.3	1,697,521	1,697,521
	Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	15.4	971,562	455,502
	Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad)	15.5	1,171,288	947,488
	Shifa International DWC-LLC (SIDL)	15.6	23,280	23,280
	In associated company (unquoted):			
	Shifa Care (Private) Limited (SCPL)	15.7	45,001	45,001
			3,918,618	3,178,758

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

15.1 Per share breakup values of these investments are given below:

	2022	2021
	Rupees / Share	
Shifa Development Services (Private) Limited (SDSPL)	35.37	20.93
Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad)	10.23	10.15
Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad)	11.06	12.03
Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad)	10.39	10.05
Shifa International DWC-LLC (SIDL)	5.35	5.19
Shifa Care (Private) Limited (SCPL)	7.30	7.99

15.2 This represents investment in 1,650,000 (2021: 1,650,000) fully paid ordinary shares of Rs. 10 each of SDSPL. The above investment in ordinary shares represents 55% (2021: 55%) shareholding in SDSPL held by the Company.

15.3 This represents investment in 169,752,100 (2021: 169,752,100) fully paid ordinary shares of Rs. 10 each of SNS Islamabad. The above investment in ordinary shares represents 100% (2021: 100%) shareholding in SNS Islamabad held by the Company.

15.4 This represent investment in 97,156,200 (2021: 45,550,200) fully paid ordinary shares of Rs. 10 each of SNH Faisalabad. The above investment in ordinary shares represents 60% (2021: 60%) shareholding in SNH Faisalabad held by the Company.

15.5 This represents investment in 117,128,812 (2021: 94,748,837) ordinary shares of Rs. 10 each of SMC Islamabad. The above investment in ordinary shares represents 56% (2021: 56%) shareholding in SMC Islamabad held by the Company.

15.6 This represents investment in 555,000 (2021: 555,000) ordinary shares of AED 1 each of SIDL having a registered office located at Business Center Logistics City, Dubai Aviation City, P.O Box 390667, United Arab Emirates. The above investment in ordinary shares represents 100% (2021: 100%) shareholding held by the Company.

15.7 This represents investment in 4,500,050 (2021: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (2021: 50%) shareholding in SCPL held by the Company. Summary of results of SCPL are as under:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	2022	2021
	(Rupees in '000)	
Summarized statement of financial position		
Current assets	52,787	24,767
Non-current assets	58,322	49,641
Current liabilities	(45,385)	(2,485)
Net assets	65,724	71,923
Reconciliation to carrying amounts:		
Opening net assets	71,923	44,944
Total comprehensive loss for the year	(6,199)	(3,021)
Equity	-	30,000
Closing net assets	65,724	71,923
Company's share in carrying value of net assets	32,862	35,962
Company's share in total comprehensive loss	(3,099)	(1,511)
Summarized statement of profit or loss		
Revenue for the year – gross	-	-
Loss for the year	(6,199)	(3,021)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(6,199)	(3,021)

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

		2022	2021
		Note	(Rupees in '000)
16 LONG TERM DEPOSITS			
Ijarah key money deposits		-	15,906
Less: current portion of Ijarah key money deposits		-	15,906
Security deposits	16.1	85,324	96,260
		85,324	96,260

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		Note	2022	2021
			(Rupees in '000)	
17	STORES, SPARE PARTS AND LOOSE TOOLS			
Stores			209,391	153,955
Spare parts			26,654	33,893
Loose tools			699	1,332
			236,744	189,180
Less: provision for slow moving items	17.1		26,555	23,868
			210,189	165,312
17.1	Balance at beginning of the year		23,868	18,604
	Charged during the year		2,687	5,264
	Balance at end of the year		26,555	23,868
18	STOCK-IN-TRADE			

This represents medicines being carried at moving average cost.

		Note	2022	2021
			(Rupees in '000)	
19	TRADE DEBTS			
Related party - Shifa Foundation	19.1		9,736	17,139
Others			1,124,491	970,694
			1,134,227	987,833
Less: allowance for expected credit losses (ECL)	39.1.3		169,458	153,011
			964,769	834,822

19.1 Maximum amount due from Shifa Foundation at the end of any month during the year was Rs. 20,694 thousand (2021: Rs. 21,265 thousand).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		Note	2022	2021
			(Rupees in '000)	
20	LOANS AND ADVANCES			
	Considered good - secured			
	Executives	20.1	4,199	3,291
	Other employees		14,722	14,522
			18,921	17,813
	Consultants - unsecured		3,661	2,825
	Suppliers / contractors - unsecured	20.2	213,232	317,021
			235,814	337,659
20.1	Reconciliation of carrying amount of advances given to executives:			
	Balance at beginning of the year		3,291	2,726
	Disbursements during the year		19,783	19,341
			23,074	22,067
	Less: repayments during the year		18,875	18,776
	Balance at end of the year		4,199	3,291
20.1.1	The above advances were given in accordance with the Company's service rules. The maximum amount due from executives at the end of any month during the year was Rs. 4,716 thousand (2021: Rs. 5,743 thousand).			
20.2	This include Rs. 52,376 thousand (2021: Nil) advance given to SDSPL in respect of civil works activities. While the referred amount also represents maximum balance at any month during the year.			
21	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2022	2021
			(Rupees in '000)	
	Current portion of Ijarah key money deposits		-	15,906
	Short term prepayments		28,232	26,501
	Security deposit	21.1	20,278	-
	Other receivables	21.2	305,345	111,432
			353,855	153,839
	Less: allowance for expected credit losses against other receivables	21.3	57,812	57,409
			296,043	96,430
21.1	This represents security deposit given to SNS Islamabad in accordance with the terms of lease arrangement of the property. During the year, the amount of security has been adjusted by Rs. 14.174 million (2021: Nil) on account of two month rent (net of tax) as per addendum to lease agreement.			

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

21.2 This includes Rs. 35,416 thousand (2021: Rs. 24,335 thousand) and Rs. 34,896 thousand (2021: Rs. 26,656 thousand) due from SIHT (Private) Limited and Shifa International DWC LLC (SIDL). Maximum amount due from SIHT (Private) Limited at the end of any month during the year was Rs. 72,695 thousand (2021: Rs. 70,322 thousand) while the referred amount of SIDL also represent the maximum balance.

		2022	2021
	Note	(Rupees in '000')	
21.3	Allowance for expected credit losses against other receivables (unrelated parties)		
	Balance at beginning of the year	57,409	17,627
	Charge during the year	21.3.1 40,185	39,782
	Less: written off during the year	21.3.2 39,782	-
	Balance at end of the year	57,812	57,409

21.3.1 This represents an amount whose recovery is considered doubtful. However, the Company is actively pursuing for its recovery.

21.3.2 The balance due from Shifa Pan African Hospitals Limited – Tanzania (the Project) is written off as the Project has been abandoned due to multiple factors including substantial increase in project costs and the death of two out of three partners of Fatima Properties the sponsor of the Project based in Tanzania.

		2022	2021
	Note	(Rupees in '000')	
22	OTHER FINANCIAL ASSETS		
	Investment in Term Deposit Receipt - at amortized cost	22.1 3,000	3,000
	Investment in Mutual Fund - at fair value through profit or loss	22.2 510,235	619,464
		513,235	622,464

22.1 This represents term deposit receipt (TDR) having face value of Rs. 3 million with three months maturity. Profit payable on monthly basis at the rate ranging from 5.50% to 12.25% per annum (2021: 5% to 6.60% per annum).

22.2 This represents investment in 5,059,495 (2021: 6,157,748) units of UBL Al-Ameen Islamic Cash Fund. Fair value of the investment was determined using quoted repurchase price at year end.

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		Note	2022	2021
			(Rupees in '000)	
23	TAX REFUNDS DUE FROM THE GOVERNMENT (NET OF PROVISION)			
	Balance at the beginning of the year		471,366	478,225
	Income tax paid / deducted at source during the year		405,208	332,473
			876,574	810,698
	Provision for taxation for the year	30	(428,532)	(339,332)
	Balance at the end of the year		448,042	471,366
24	CASH AND BANK BALANCES			
	Cash at banks in:			
	Current accounts			
	Local currency		348,000	320,672
	Foreign currency		1,374,994	1,663,510
			1,722,994	1,984,182
	Saving accounts:			
	Local currency		589,166	817,221
	Foreign currency		204	157
		24.1	589,370	817,378
		24.2	2,312,364	2,801,560
	Cash in hand		5,068	8,137
			2,317,432	2,809,697

24.1 Balances with saving accounts earned profit / mark-up at weighted average rate of 8.20% per annum (2021: 6.30% per annum).

24.2 Balances with banks includes Rs. 118,712 thousand (2021: Rs. 112,835 thousand) in respect of security deposits (Note 10.2).

		Note	2022	2021
			(Rupees in '000)	
25	NON - CURRENT ASSETS HELD FOR SALE			
	Balance at beginning of the year		598,057	494,978
	Addition during the year	25.1	-	292,072
	Disposed off during the year	25.2	(172,726)	(188,993)
	Reclassified to PPE	13.7	(104,378)	-
	Balance at end of the year	25.3	320,953	598,057

25.1 This represents the carrying value of land measuring 25 kanals located at Shifa Cooperative Housing Society, Islamabad Expressway.

25.2 During the year the Company has sold lands measuring 48.5 kanals (2021: 72.5 kanals) located at Islamabad Motorway and six plots (2021: two plots) located at Shifa Cooperative Housing Society, Islamabad Expressway.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

25.3 Freehold lands held for sale at year end are 52.6 Kanal (2021: 101.1 Kanal) and 17 kanal (2021: 23 kanal) of Motorway, Mouza Noon, Islamabad and Shifa Cooperative Housing society, Islamabad respectively.

		2022	2021
26	NET REVENUE	Note	(Rupees in '000)
	Inpatients		9,836,737
	Outpatients		5,492,731
	Other services	26.1	1,034,222
			16,363,690
	Less: discount		128,070
	Less: sales tax		38,069
	Net revenue		16,197,551
			14,371,774
			128,866
			23,190
			14,219,718

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

26.2 The net revenue is excluding physician share of Rs. 1,353,680 thousand (2021: Rs. 1,302,168 thousand).

		2022	2021
27	OTHER INCOME	Note	(Rupees in '000)
	Income from financial assets:		
	Profit on bank deposits		16,564
	Dividend income from mutual fund - investments at fair value through profit or loss		54,160
	Un-realized gain on investments at fair value through profit or loss		1,735
	Dividend income from subsidiary	27.1	25,463
			97,922
			31,280
	Income from other than financial assets:		
	Gain on disposal of tangible assets	27.2	69,269
	Exchange gain on foreign currency translation		416,217
	Liabilities written back		-
	Sale of scrap - net of sales tax		18,772
	Miscellaneous		35,249
			539,507
			76,199
			637,429
			107,479

27.1 This represents the dividend at the rate of Re. 0.15 per share received from SNS Islamabad.

27.2 Gain on disposal of tangible assets is excluding commission charges on sale of land of Rs. 7.6 million.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

28	OPERATING COSTS	Note	2022	2021
			(Rupees in '000)	
	Salaries, wages and benefits	28.1	5,827,983	4,803,017
	Utilities		835,050	542,751
	Supplies consumed		1,727,652	1,623,965
	Medicines consumed		4,184,847	3,815,914
	Communication		48,048	40,619
	Travelling and conveyance		21,672	11,638
	Printing and stationery		133,535	104,623
	Repairs and maintenance		642,156	589,211
	Auditors' remuneration	28.2	5,256	3,861
	Legal and professional		15,453	25,623
	Rent		12,266	12,773
	Rates and taxes		14,254	17,706
	Advertising and sales promotion		66,022	48,317
	Fee, subscription and membership		81,650	58,796
	Vehicle and equipment rentals	28.3	12,447	8,874
	Cleaning and washing		137,366	120,628
	Insurance		13,645	12,600
	Property, plant and equipment written off	28.4	2,234	977
	Provision for slow moving stores		2,687	6,161
	Depreciation / amortization on tangible assets	13	902,448	865,473
	Amortization on intangible assets	14	21,568	26,071
	Exchange loss on foreign currency translation		-	116,336
	Donation	28.5	25,000	-
	Miscellaneous		58,738	43,466
			14,791,977	12,899,400

28.1 This includes charge for employee gratuity of Rs. 159,116 thousand (2021: Rs. 143,917 thousand), defined contribution plan (pension) of Rs. 53,655 thousand (2021: Nil), compensated absences of Rs. 67,049 thousand (2021: Rs. 46,378 thousand) and bonus of Rs. 125,814 thousand (2021: Rs. 190,931 thousand).

28.2	Auditors' remuneration	2022	2021
		(Rupees in '000)	
	Annual audit fee	1,973	1,973
	Half yearly review fee	1,048	1,048
	Statutory certifications	2,235	840
		5,256	3,861

28.2.1 The above fee is inclusive of sales tax amounting to Rs. 746 thousand (2021: Rs. 526 thousand).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

28.3 This include ujrah payments under an Ijarah. As required under Islamic Financial Accounting Standard (IFAS 2) "Ijarah" (notified through SRO 431 (I)/2007 by Securities & Exchange Commission of Pakistan) ujrah payments under an Ijarah are recognized as an expense in the statement of profit or loss on straight line basis over the Ijarah term.

The amounts of future ujrah payments and the periods in which these will be due are as follows:

	2022	2021
	(Rupees in '000)	
Within one year	-	12,447
After one year but not more than five years	-	-
Total ujrah payments	-	12,447

28.4 This represents assets written off that were determined to be irreparable after carrying out detailed physical verification exercised by the management.

28.5 Donation

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

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

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

	2022	2021
	(Rupees in '000)	
29 FINANCE COSTS		
Markup on long term loans - secured	252,714	255,567
Interest on lease liabilities	87,980	72,920
Credit card payment collection and bank charges	41,738	31,888
	382,432	360,375

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		Note	2022 (Rupees in '000)	2021
30	PROVISION FOR TAXATION			
Current				
- for the year			433,334	339,332
- prior year			(4,802)	-
Deferred	23		428,532	339,332
			421	(75,363)
			428,953	263,969
30.1	Reconciliation of tax charge for the year			
Profit before taxation			1,591,502	963,893
Provision for taxation			428,953	263,969
			(Percentage)	
Effective tax rate			26.95%	27.39%
Reconciliation of effective tax rate				
Applicable tax rate			29.00%	29.00%
Add: super tax			4.00%	0.00%
Add: net tax effects of amounts that are inadmissible for tax purposes/others			27.73%	37.83%
Less: net tax effect of amounts that are deductible for tax purposes/others			33.77%	39.44%
Average effective tax rate charged on income			26.95%	27.39%
31	EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation for the year			1,162,549	699,924
Weighted average number of ordinary shares in issue during the year	31.1		63,214	63,214
Earnings per share - basic and diluted			18.39	11.07
31.1	Weighted average number of ordinary shares has been calculated on the basis of time factor of shares outstanding during the year.			
31.2	During the year, the Company has issued 2% bonus shares (i.e. one for every fifty ordinary shares held) which has resulted in restatement of basic and diluted earnings per share.			

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

32 CAPACITY UTILIZATION

The actual inpatient available bed days, occupied bed days and room occupancy ratio of Shifa International Hospitals Limited (SIHL) are given below:

	2022	2021	2022	2021	2022	2021
	Available bed days		Occupied bed days		Occupancy Ratio	
SIHL H-8/4 Islamabad	184,269	184,023	108,277	102,702	58.76%	55.81%
SIHL Faisalabad	22,867	28,105	6,046	6,498	26.44%	23.12%

32.1 Reported utilisation is a result of pattern of patient turnover under different specialties and miscellaneous other factors.

33	UNAVAILED CREDIT FACILITIES	2022		2021	
		(Rupees in '000)			
	Unavailed credit facilities at year end other than those disclosed in note 7 of financial statements are as under:				
	Letter of credit		60,348		100,000
	Ijarah financing		51,709		51,709
	Running Musharkah		500,000		500,000
	Letter of guarantee		23,666		23,666
			635,723		675,375

34 NUMBER OF EMPLOYEES

The Company had 5,154 employees (2021: 5,047) at the year end and average number of employees during the year were 5,174 (2021: 4,915).

35 RELATED PARTIES TRANSACTIONS

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

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

The amounts due from and due to these undertakings are shown under trade debts, loans and advances, other receivables and trade and other payables. Other transactions with the related parties are given below:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		2022	2021
	Note	(Rupees in '000)	
Shifa Foundation:			
Opening balance - receivable		17,139	17,875
Revenue from services earned by the Company	35.1	16,964	12,607
Revenue from rent earned by the Company		819	600
Expenses paid and reimbursed to the Company		48	23
Other services provided to the Company		-	(3,424)
Revenue from COVID -19 clinical trial services		-	16,498
Receipts / adjustments		(25,234)	(27,040)
Closing balance - receivable		9,736	17,139
Tameer-e-Millat Foundation:			
Opening balance - payable		(13,073)	(11,978)
Supplies provided to the Company	35.2	(88,543)	(79,335)
Other services provided to the Company	35.3	(35,278)	(22,320)
Rental services received / earned by the Company		(5,842)	(4,631)
Payments / adjustments		131,076	105,191
Closing balance - payable		(11,660)	(13,073)
Shifa Tameer-e-Millat University:			
Opening balance - payable		(5,041)	(27,468)
Revenue from services earned by the Company	35.1	18,543	11,294
Revenue from rent earned by the Company		3,197	2,907
Other services provided to the Company	35.3	(61,817)	(53,780)
Expenses paid by and reimbursed to the Company		2,905	2,968
Donation paid by the Company		(25,000)	-
Payments / adjustments		60,755	59,038
Closing balance - payable		(6,458)	(5,041)
SIHT (Private) Limited			
Opening balance - receivable		24,335	25,783
Revenue from services earned by the Company	35.1	325,112	351,638
Expenses paid by and reimbursed to the Company		5,905	4,850
Other services provided to the Company	35.3	(23,206)	(22,414)
Receipts / adjustments		(296,730)	(335,522)
Closing balance - receivable		35,416	24,335

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		2022	2021
	Note	(Rupees in '000)	
Shifa Development Services (Private) Limited			
Opening balance - (payable) / receivable		(44,607)	14,285
Revenue from rent earned by the Company		1,548	820
Payment made by the Company		4,215	-
Expenses paid by and reimbursed to the Company		-	190
Other services provided to the Company	35.3	(57,880)	(84,749)
Furniture and improvements sold by the Company		-	5,000
payments / adjustments		149,100	19,847
Closing balance - receivable / (payable)		52,376	(44,607)
Shifa Cooperative Housing Society:			
Opening balance		-	-
Plot maintenance charges paid by the Company		5,573	1,801
Payments		(5,573)	(1,801)
Closing balance		-	-
Shifa Medical Center Islamabad (Private) Limited			
Opening balance		-	-
Investment made by the Company in 22,379,975 (2021: Nil) ordinary shares		(223,800)	-
Other services provided by the Company	35.3	10,229	10,229
Expenses paid by and reimbursed to the Company		414	-
Payments / (receipts) - net		213,157	(10,229)
Closing balance		-	-
Shifa National Hospital Faisalabad (Private) Limited			
Opening balance		-	-
Investment made by the Company in 51,606,000 (2021: 23,023,428) ordinary shares		(516,060)	(230,234)
Other services provided by the Company	35.3	10,229	10,229
Payments - net		505,831	220,005
Closing balance		-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 (Rupees in '000)	2021
Shifa Neuro Sciences Institute Islamabad (Private) Limited			
Opening balance - receivable		34,452	34,452
Rent paid by the Company		(97,018)	(64,719)
Dividend income received by the Company		25,463	-
Other services provided by the Company	35.3	-	4,795
Payments / adjustments		57,381	59,924
Closing balance - receivable		20,278	34,452
Shifa International DWC-LLC			
Opening balance - receivable		26,656	10,809
Receipts / adjustments - net		24,576	26,204
Patient referral services provided to the Company		(16,336)	(10,357)
Closing balance - receivable		34,896	26,656
Shifa Care (Private) Limited			
Opening balance		-	-
Investment made by the Company in Nil (2021: 1,500,000) ordinary shares		-	(15,000)
Other services provided by the Company	35.3	2,343	836
Software development services provided to the Company		(39,375)	-
Expenses paid by and reimbursed to the Company		-	50
Payments - net		37,032	14,114
Closing balance		-	-
SIHL Employees' Gratuity Fund			
Opening balance - payable		(251,594)	(196,221)
Provision / OCI charge		(183,077)	(189,841)
Payments made by the Company during the year	35.4	241,218	134,468
Closing balance - payable		(193,453)	(251,594)
Remuneration including benefits and perquisites of key management personnel	35.5	368,682	333,771

35.1 Revenue earned from related parties includes medical, surgical, clinical and lab services rendered to referred inpatients and outpatients, sale of medicines and provision of cafeteria services. These transactions are executed on arm's length between the parties.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

35.2 The supplies mainly includes uniforms and dairy products etc. These transactions are based on arm's length between the parties.

35.3 This represents services of nursing education/training, employees' children education, media and consultancy / shared services. These transactions are based on arm's length between the parties.

35.4 Transactions with the Fund are carried out based on the terms of employment of employees and according to actuarial advice.

35.5 This includes employee retirement benefits (gratuity) amounting to Rs. 3,866 thousand (2021: Rs. 20,342 thousand).

35.6 Basis of relationship with related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the financial year are as follow:

Sr #	Name of related party (RP)	Basis of relationship	Percentage of	
			Company's shareholding in RP	RP's shareholding in the Company
1	Shifa Foundation	Common Directorship	N/A*	0.92%
2	Tameer-e-Millat Foundation	Common Directorship	N/A	12.57%
3	SIHL Employees' Gratuity Fund	Benefit Plan	N/A	0.12%
4	Shifa Tameer-e-Millat University	Common Directorship	N/A	0.02%
5	Shifa Development Services (Private) Limited	Subsidiary & Common Directorship	55%	Nil
6	Shifa Cooperative Housing Society	Common Directorship	N/A	N/A
7	Shifa Neuro Sciences Institute Islamabad (Private) Limited	Subsidiary & Common Directorship	100%	Nil
8	Shifa National Hospital Faisalabad (Private) Limited	Subsidiary & Common Directorship	60%	Nil
9	Shifa Medical Centre Islamabad (Private) Limited	Subsidiary & Common Directorship	56%	Nil
10	Shifa International DWC LLC	Subsidiary & Common Directorship	100%	Nil
11	Shifa CARE (Private) Limited	Associate & Common Directorship	50%	Nil
12	SIHT (Private) Limited	Common Directorship	N/A	N/A
13	International Finance Corporation (IFC)	Associate	Nil	12%

*N/A stands for not applicable.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021	2022	2021
(Rupees in '000)								
Managerial remuneration	66,036	51,430	30,066	27,127	10,990	10,066	261,954	218,815
Annual bonus	1,768	1,650	1,192	-	237	-	8,336	7,394
Gratuity	-	-	-	-	-	-	3,866	20,342
Medical insurance	92	76	88	76	358	293	1,877	1,805
Leave encashment	-	-	-	4,335	-	-	7,422	6,338
	67,896	53,156	31,346	31,538	11,585	10,359	283,455	254,694
Number of persons	1	1	1	1	8	8	33	33

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

36.2 Managerial remuneration includes Rs. 4,305 thousand (2021: Rs. 3,450 thousand) paid to directors in respect of meeting attending fee.

36.3 Traveling expenses of Rs. 3,315 thousand (2021: Rs. 1,673 thousand) for official purposes are reimbursed by the Company to non-executive directors.

37 CASH AND CASH EQUIVALENTS

	Note	(Rupees in '000)	
Investment in Term Deposit Receipt - at amortized cost	22	3,000	3,000
Cash and bank balances	24	2,317,432	2,809,697
		2,320,432	2,812,697

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

38 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Equity						
	Liabilities	Long term financing	Government Grant	Lease liabilities	Share capital	Unappropriated profits	Total
2022					(Rupees in '000)		
Balance at the beginning of the year	3,696,503	69,627	784,671	619,749	2,751,283	4,325,259	12,247,092
Changes from financing cash flows							
Proceeds	212,009 (1,417,563)	-	-	-	-	-	212,009 (1,417,563)
Répayments	-	-	(269,831)	-	-	-	(269,831)
Repayments of lease liabilities	-	-	-	-	-	(89,202)	(89,202)
Dividend paid	-	47,060	-	-	-	-	47,060
Grant received	(1,205,554)	47,060	(269,831)	-	-	(89,202)	(1,517,527)
Total changes from financing cash flows							
Other changes							
Liability related	49,176	-	432,897	-	-	-	482,073
Equity related	-	-	-	-	-	-	-
Total comprehensive changes	-	-	-	12,395	(12,395)	1,146,495	1,146,495
Other changes	-	-	-	-	-	34,724 (5,620)	34,724 (5,620)
Changes in unclaimed dividend	-	(49,176)	-	-	-	-	(49,176)
Amortization of government grant	-	-	(49,176)	-	12,395	(12,395)	1,175,599
Total of liability and equity related changes	-	(49,176)	(49,176)	-	-	-	1,126,423
Balance at the end of the year	2,540,125	67,511	947,737	632,144	2,758,888	5,411,656	12,338,061
2021							
Balance at the beginning of the year	3,378,465	53,193	565,518	619,749	2,751,283	3,636,170	11,004,378
Changes from financing cash flows							
Proceeds	633,450 (381,608)	-	-	-	-	-	633,450 (381,608)
Répayments	-	-	(234,608)	-	-	-	(234,608)
Repayments of lease liabilities	-	-	-	-	-	-	(1,507)
Dividend paid	-	82,630	-	-	-	-	82,630
Grant received	251,842	82,630	(234,608)	-	-	(1,507)	98,357
Total changes from financing cash flows							
Other changes							
Liability related	66,196	-	453,761	-	-	-	519,956
Equity related	-	-	-	-	-	-	-
Total comprehensive changes	-	-	-	-	-	667,318 21,771 1,507	667,318 21,771 1,507
Other changes	-	-	-	-	-	-	-
Changes in unclaimed dividend	-	(66,196)	-	-	-	-	(66,196)
Amortization of government grant	-	(66,196)	-	-	-	-	624,400
Total of liability and equity related changes	-	(66,196)	-	-	-	-	624,400
Balance at the end of the year	3,696,503	69,627	784,671	619,749	2,751,283	4,325,259	12,247,092

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

39 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

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

39.1 Credit risk

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

39.1.1 Exposure to credit risk

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

	2022	2021
	(Rupees in '000)	
Deposits	85,324	96,260
Trade debts	964,769	834,822
Other receivables	247,533	54,023
Markup accrued	2,129	677
Other financial assets	513,235	622,464
Bank balances	2,312,364	2,801,560
	4,125,354	4,409,806

The Company is exposed to credit risk from its operating and short term investing activities. The Company's credit risk exposures are categorized under the following headings:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

39.1.2 Counterparties

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

Trade debts

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

Bank balances and investments

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

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

	2022	2021
	(Rupees in '000)	
Government companies	606,483	632,053
Private companies	275,653	198,282
Individuals	242,355	140,359
Related party	9,736	17,139
	1,134,227	987,833

39.1.3 Impairment losses

The aging of trade debts at the reporting date was:

	2022		2021	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	(Rupees in '000)		(Rupees in '000)	
Not past due	427,419	2,029	230,471	-
1 - 2 months	298,405	14,109	147,364	-
3 - 4 months	94,405	4,743	210,250	21,481
5 - 7 months	88,393	12,486	155,994	27,545
8 - 12 months	68,831	34,726	119,806	44,095
Above 12 months	156,774	101,365	123,948	59,890
	1,134,227	169,458	987,833	153,011

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

	Note	2022 (Rupees in '000)	2021
Balance at beginning of the year		153,011	129,585
Add: expected credit losses		28,884	63,747
Less: bad debts written off		12,437	40,321
Balance at end of the year	19	169,458	153,011

39.1.4 The Company believes that no impairment allowance is necessary in respect of markup accrued, deposits, bank balances and investments as the recovery of such amounts is possible except in case of certain balances of other receivables for which impairment loss has been recorded (Note 21.3).

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

	Note	2022		2021	
		Gross debts / Other receivables	Allowance for ECL	Gross debts / Other receivables	Allowance for ECL
SF					
1 - 2 months	19	9,736	-	17,139	-
SIHT					
1 - 2 months	21	35,416	-	24,335	-
SDSPL					
1 - 2 months	20	52,376	-	-	-
SPAHL					
5 - 7 months	21	-	-	2,042	2,042
Above 12 months	21	-	-	37,740	37,740

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

39.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose the Company has credit facilities as mentioned in notes 7 and 33 to the financial statements. Further liquidity position of the Company is monitored by the board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
(Rupees in '000')						
2022						
Long term financing- secured	2,607,637	770,466	564,070	950,306	322,795	-
Trade and other payables	3,053,898	3,053,898	-	-	-	-
Unclaimed dividend	40,778	40,778	-	-	-	-
Mark up accrued	35,658	35,658	-	-	-	-
	5,737,971	3,900,800	564,070	950,306	322,795	-
2021						
Long term financing-secured	3,766,130	665,362	740,360	1,284,106	1,076,302	-
Trade and other payables	2,695,928	2,695,928	-	-	-	-
Unclaimed dividend	35,158	35,158	-	-	-	-
Mark up accrued	16,913	16,913	-	-	-	-
	6,514,129	3,413,361	740,360	1,284,106	1,076,302	-

Maturity analysis of lease liabilities is given in note 9.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

39.3 Market risk

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

39.3.1 Foreign currency risk

Exposure to foreign currency risk

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

	2022			2021		
	Euro	USD	AED	Euro	USD	AED
Bank balances	-	6,735.65	-	-	10,587.93	-
Receivables	-	-	627.37	-	-	622.57
Letter of credit	(12.50)	(450.48)	-	(62.00)	(285.65)	-
	(12.50)	6,285.17	627.37	(62.00)	10,302.28	622.57

	2022			2021		
	(Rupees in '000')					
Bank balances	-	1,375,198	-	-	1,663,668	-
Receivables	-	-	34,896	-	-	26,656
Letter of credit	(2,675)	(92,164)	-	(11,622)	(44,988)	-
	(2,675)	1,283,034	34,896	(11,622)	1,618,680	26,656

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2022	2021	2022	2021
(Rupees)				
USD 1 - Buying	177.80	160.10	204.17	157.13
USD 1 - Selling	178.21	160.47	204.59	157.49
AED 1 - Buying	48.44	43.59	55.62	42.82
AED 1 - Selling	48.55	43.69	55.73	42.91
Euro 1 - Buying	199.96	190.92	213.59	187.04
Euro 1 - Selling	200.41	191.34	214.03	187.45

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Foreign currency sensitivity analysis

A 10 percent variation of PKR against USD, AED and EURO at June 30 would have effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular markup rates, remain constant.

	Change in Foreign Exchange Rates %	Effect on Profit	Effect on Equity
		(Rupees in '000)	
2022			
Foreign currencies	+10%	131,525	131,525
Foreign currencies	-10%	(131,525)	(131,525)
2021			
Foreign currencies	+10%	163,371	163,371
Foreign currencies	-10%	(163,371)	(163,371)

39.3.2 Markup rate risk

The markup rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term financing, short term investments and deposits with banks. At the reporting date the markup rate profile of the Company's markup-bearing financial instruments are:

		2022	2021
	Note	(Rupees in '000)	
Financial assets			
Investment - at amortized cost	22	3,000	3,000
Bank balances	24	589,370	817,378
		592,370	820,378
Financial liabilities			
Long term financing - secured	7	(2,607,637)	(3,766,130)
		(2,015,267)	(2,945,752)

The effective markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2022 would decrease/increase by Rs. 8,092 thousand (2021: decrease / increase by Rs. 10,348 thousand). This is mainly attributable to the Company's exposure to markup rates on its variable rate borrowings.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

39.3.3 Price risk

The Company's price risk arises from investments in units as disclosed in - note 22.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.

Price risk sensitivity analysis

A change of Rs. 1 in the value of investments at fair value through profit or loss would have increased or decreased profit or loss by Rs. 6,780 thousand (2021: Rs. 8,744)

39.4 Financial instrument by category

	2022	Amortized cost	Fair value through profit or loss	Total
			(Rupees in '000)	
Financial assets				
Maturity upto one year				
Trade debts	964,769		-	964,769
Other receivables	247,533		-	247,533
Markup accrued	2,129		-	2,129
Other financial assets	3,000	510,235		513,235
Cash and bank balances	2,317,432		-	2,317,432
Maturing after one year				
Long term deposits	85,324		-	85,324
	3,620,187	510,235		4,130,422
Financial liabilities				
Maturing upto one year				
Trade and other payables	3,053,898		-	3,053,898
Unclaimed dividend	40,778		-	40,778
Markup accrued	35,658		-	35,658
Current portion of long term financing - secured	1,334,536		-	1,334,536
Current portion of lease liabilities	253,452		-	253,452
Maturing after one year				
Long term financing - secured	1,273,101		-	1,273,101
Lease liabilities	694,285		-	694,285
	6,685,708		-	6,685,708

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	2021	Amortized cost	Fair value through profit or loss	Total
			(Rupees in '000)	
Financial assets				
Maturity upto one year				
Trade debts	834,822		-	834,822
Other receivables	54,023		-	54,023
Markup accrued	677		-	677
Other financial assets	3,000	619,464		622,464
Cash and bank balances	2,809,697		-	2,809,697
Maturing after one year				
Long term deposits	96,260		-	96,260
	3,798,479	619,464		4,417,943
Financial liabilities				
Maturing upto one year				
Trade and other payables	2,695,928		-	2,695,928
Unclaimed dividend	35,158		-	35,158
Markup accrued	16,913		-	16,913
Current portion of long term financing - secured	1,405,722		-	1,405,722
Current portion of lease liabilities	177,633		-	177,633
Maturing after one year				
Long term financing - secured	2,360,408		-	2,360,408
Lease liabilities	607,038		-	607,038
	7,298,800		-	7,298,800

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

39.5 Fair value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2022		2021	
	Carrying value	Fair value	Carrying value	Fair value
Assets carried at amortized cost	(Rupees in '000')			
Long term deposits	85,324	85,324	96,260	96,260
Trade debts	964,769	964,769	834,822	834,822
Other receivables	247,533	247,533	54,023	54,023
Markup accrued	2,129	2,129	677	677
Other financial assets	3,000	3,000	3,000	3,000
Cash and bank balances	2,317,432	2,317,432	2,809,697	2,809,697
	3,620,187	3,620,187	3,798,479	3,798,479
Assets carried at fair value				
Other financial assets	510,235	510,235	619,464	619,464
Liabilities carried at amortized cost				
Long term financing - secured	1,273,101	1,273,101	2,360,408	2,360,408
Lease liabilities	694,285	694,285	607,038	607,038
Trade and other payables	3,053,898	3,053,898	2,695,928	2,695,928
Unclaimed dividend	40,778	40,778	35,158	35,158
Markup accrued	35,658	35,658	16,913	16,913
Current portion of long term financing - secured	1,334,536	1,334,536	1,405,722	1,405,722
Current portion of lease liabilities	253,452	253,452	177,633	177,633
	6,685,708	6,685,708	7,298,800	7,298,800

The basis for determining fair values is as follows:

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

40 FAIR VALUE HIERARCHY

Other financial assets

Fair value of investment in mutual funds (Note 22.2) has been determined using quoted repurchase price at reporting date and categorized under level 1 of fair value hierarchy.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Fair value of land

Lands owned by the Company are valued by independent valuers to determine the fair values of lands as at reporting date. The fair value of lands subject to revaluation model fall under level 2 of fair value hierarchy.

There were no transfer amongst the levels during the year. Further, there were no changes in the valuation techniques during the year.

41 CAPITAL MANAGEMENT

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

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

42 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Description	Explanation	2022 (Rupees in '000)	2021
Bank balances	Placed under interest	180,188	285,248
	Placed under sharia permissible arrangement	409,182	532,130
		589,370	817,378
Return on bank deposit for the year	Placed under interest	6,121	3,986
	Placed under sharia permissible arrangement	10,216	4,337
		16,337	8,323
Interest and dividend income on investment for the year	Placed under interest	228	159
	Placed under sharia permissible arrangement	81,358	22,225
		81,586	22,384
Segment revenue	Disclosed in note 26		
Exchange gain earned		416,217	-
Loans obtained as per Islamic mode		2,172,438	2,941,675
Mark up paid on Islamic mode of financing		275,712	305,325
Interest paid on any conventional loan		5,392	6,005

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Relationship with sharia compliant banks

The Company has obtained long term loans and has maintained bank balances and term deposits with sharia compliant banks as given below:

- Al-Baraka Bank (Pakistan) Limited
- Meezan Bank Limited
- Dubai Islamic Bank
- Habib Bank Limited
- Faysal Bank Limited
- Bank Alfalah Limited
- Bank of Punjab
- Askari Bank Limited

43 OPERATING SEGMENTS

The financial statements have been prepared on the basis of single reportable segment. All revenue of the Company is earned in Pakistan. All non-current assets of the Company at June 30, 2022 are located in Pakistan. There is no segment with more than 10% of total revenue of the Company for the year.

44 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were approved and authorized for issue by the board of directors of the Company on September 28, 2022.

45 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The board of directors of the Company in its meeting held on September 28, 2022 has proposed a final cash dividend for the year ended June 30, 2022 @ Rs. 1.5 per share, amounting to Rs. 94,822 thousand for approval of the members in the Annual General Meeting to be held on October 28, 2022. This dividend is in addition to interim dividend of Rs. 1.5 per share paid during the current year. The unconsolidated financial statements for the year ended June 30, 2022 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

46 GENERAL

- Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.
- Immaterial reclassification has been made wherever necessary.
- Management of the Company will continue to monitor the situation with possible measures to overcome the effects of COVID- 19 pandemic. Moreover, based on the assessment of the Company's management there is no adverse effect of COVID - 19 on these financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

NOTES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Shifa International Hospitals Limited

Opinion

We have audited the annexed consolidated financial statements of Shifa International Hospitals Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2022 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p>Revenue from contract with customers: (Refer to note 27 to the consolidated financial statements)</p> <p>The Group principally generates revenue from providing of inpatient and outpatient services and supply of medicines. We identified revenue recognition as a key audit matter because it is one of key performance indicator which gives rise to an inherent risk of misstatement.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the Group's processes and related internal controls for revenue recognition and tested the design, implementation and operating effectiveness of those controls; - Performed test of details of sampled revenue by inspecting the underlying supporting documents including medical record bills, sales report and bank statements; - Performed cut off procedures to ensure revenue has been recorded in the correct period; - Evaluated and tested on sample basis the authority metrics (controls) over changes in charge master; - Verified on sample basis the trade debts through obtaining confirmations from debtors and performing other alternate procedures; and - Assessed the appropriateness of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

September 30, 2022

UDIN: AR20221016445Q3yHL6h

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022	2021
		(Rupees in '000)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2021: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital	4	632,144	619,749
Capital reserves			
Share premium	5	2,738,888	2,751,283
Surplus on revaluation of property, plant and equipment	6	1,546,319	1,409,434
Revenue reserves			
Unappropriated profits		4,898,668	3,832,409
		9,816,019	8,612,875
NON - CONTROLLING INTEREST	7	1,670,759	1,119,806
NON - CURRENT LIABILITIES			
Long term financing - secured	8	1,273,101	2,360,408
Deferred taxation	9	339,877	331,599
Lease liabilities	10	435,708	265,587
		2,048,686	2,957,594
CURRENT LIABILITIES			
Trade and other payables	11	3,648,044	3,232,390
Unclaimed dividend		40,778	35,158
Markup accrued	12	35,658	16,913
Current portion of long term financing - secured	8	1,334,536	1,405,722
Current portion of lease liabilities	10	173,173	118,456
		5,232,189	4,808,639
		18,767,653	17,498,914
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022	2021
		(Rupees in '000')	
NON - CURRENT ASSETS			
Property, plant and equipment	14	11,638,803	10,225,908
Intangible assets	15	51,957	32,052
Long term investments	16	32,862	35,961
Long term deposits	17	89,093	74,007
		11,812,715	10,367,928
CURRENT ASSETS			
Stores, spare parts and loose tools	18	210,189	165,312
Stock-in-trade	19	711,968	658,280
Trade debts	20	964,769	879,705
Loans and advances	21	647,227	348,919
Deposits, prepayments and other receivables	22	249,402	72,192
Markup accrued		2,129	677
Other financial assets	23	909,625	1,102,202
Tax refunds due from the government (net of provision)	24	470,176	480,548
Cash and bank balances	25	2,468,500	2,929,472
		6,633,985	6,637,307
Non - current assets held for sale	26	320,953	493,679
		18,767,653	17,498,914

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2022

	Note	2022 (Rupees in '000)	2021
Net revenue	27	16,192,168	14,223,673
Other income	28	640,328	171,924
Operating costs	29	(14,747,818)	(12,863,969)
Finance costs	30	(347,245)	(330,711)
Expected credit losses	22 & 40.1.3	(112,618)	(158,091)
Share of loss of an associate	16	(3,099)	(1,511)
Profit before taxation		1,621,716	1,041,315
Provision for taxation	31	(492,547)	(300,518)
Profit after taxation		1,129,169	740,797
Attributable to:			
Equity holders of Shifa International Hospitals Limited		1,141,310	724,091
Non-controlling interest		(12,141)	16,706
		1,129,169	740,797
			(Restated)
Earnings per share - basic and diluted - (Rupees)	32	18.05	11.45

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	2022	2021
	(Rupees in '000')	
Profit after taxation	1,129,169	740,797
Other comprehensive income		
Items that will not be subsequently reclassified in statement of profit or loss		
Loss on remeasurement of staff gratuity fund benefit plan	(23,961)	(45,924)
Deferred tax relating to remeasurement of staff gratuity fund benefit plan	7,907	13,318
Loss on remeasurement of staff gratuity fund benefit plan (net of tax)	(16,054)	(32,606)
Foreign currency translation adjustment	703	(804)
Surplus on revaluation of property, plant and equipment	214,861	298,914
Total comprehensive income for the year	1,328,679	1,006,301
Attributable to:		
Equity holders of Shifa International Hospitals Limited	1,297,966	896,150
Non-controlling interest	30,713	110,151
	1,328,679	1,006,301

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	2022	2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,621,716	1,041,315
Adjustments for:		
Depreciation / amortization on tangible assets	877,782	840,804
Amortization on intangible assets	21,296	26,267
Expected credit losses	112,618	158,091
Property, plant and equipment written off	2,234	977
Gain on disposal of tangible assets	(69,269)	(41,975)
Provision for compensated absences	67,049	46,378
Provision for bonus for employees	125,814	190,931
Provision for gratuity	159,116	143,917
Provision for slow moving stores	2,687	6,161
Share of loss of an associate	3,099	1,511
Liability written back	-	(26,568)
Gain on investments and bank deposits	(104,958)	(71,226)
(Gain) / loss on foreign currency translation	(416,637)	120,044
Finance costs	347,245	330,711
Operating cash flows before changes in working capital	2,749,792	2,767,338
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(47,564)	(19,264)
Stock-in-trade	(53,688)	(11,927)
Trade debts	(157,497)	(379,996)
Loans and advances	(298,308)	69,267
Deposits, prepayments and other receivables	(233,836)	(44,824)
Increase / (decrease) in current liabilities:		
Trade and other payables	322,426	(57,568)
Cash generated from operations	2,281,325	2,323,026
Finance cost paid	(275,864)	(305,325)
Income tax paid	(465,990)	(370,962)
Payment to SIHL Employees' Gratuity Fund	(241,218)	(134,468)
Compensated absences paid	(49,695)	(40,845)
Net cash generated from operating activities	1,248,558	1,471,426

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	Note	2022 (Rupees in '000)	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment (PPE)		(1,713,331)	(1,060,173)
Purchase of intangible assets		(41,201)	(243)
Investment in associate		-	(15,000)
Proceeds / (investments) in other financial assets - net		304,438	(858,868)
Proceeds from disposal of PPE and items classified as held for sale		251,206	231,424
Markup received		34,120	8,069
(Increase) / decrease in long term deposits		(19,468)	3,281
Net cash used in investing activities		(1,184,236)	(1,691,510)
CASH FLOWS FROM FINANCING ACTIVITIES			
Non-controlling interest		520,240	78,000
Long term financing - repayments		(1,417,563)	(381,608)
Long term financing - proceeds		212,009	633,450
Deferred grant received		47,060	82,630
Lease liabilities - repayments		(172,702)	(169,895)
Dividend paid		(89,202)	(1,507)
Net cash (used in) / generated from financing activities		(900,158)	241,070
Net (decrease) / increase in cash and cash equivalents		(835,836)	20,986
Cash and cash equivalents at beginning of the year		2,958,820	3,058,682
Effect of exchange rate changes on cash and cash equivalents		417,340	(120,848)
Cash and cash equivalents at end of the year	38	2,540,324	2,958,820

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Non - controlling interest	Total
(Rupees in '000')						
Balance as at July 01, 2020	619,749	2,751,283	1,225,930	3,103,034	948,384	8,648,380
Total comprehensive income for the year						
Profit after taxation	-	-	-	724,091	16,706	740,797
Other comprehensive income - net of tax	-	-	205,469	(33,410)	93,445	265,504
	-	-	205,469	690,681	110,151	1,006,301
Realization of revaluation surplus on disposal of assets	-	-	(12,541)	12,541	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(9,424)	9,437	(13)	-
NCI recognized during the year	-	-	-	-	78,000	78,000
Change in ownership interests						
Acquisition of shareholding by NCI without a change in control	-	-	-	16,716	(16,716)	-
Distribution to owners						
Dividend 2020: Nil	-	-	-	-	-	-
Balance as at June 30, 2021	619,749	2,751,283	1,409,434	3,832,409	1,119,806	9,732,681
Balance as at July 01, 2021	619,749	2,751,283	1,409,434	3,832,409	1,119,806	9,732,681
Total comprehensive income for the year						
Profit after taxation	-	-	-	1,141,310	(12,141)	1,129,169
Other comprehensive income - net of tax	-	-	172,007	(15,351)	42,854	199,510
	-	-	172,007	1,125,959	30,713	1,328,679
Realization of revaluation surplus on disposal of assets	-	-	(24,883)	24,883	-	-
Transfer of revaluation surplus of property, plant and equipment in respect of incremental depreciation / amortization	-	-	(10,239)	10,239	-	-
NCI recognized during the year	-	-	-	-	520,240	520,240
Changes in ownership interests						
Acquisition of shareholding by NCI without a change in control	-	-	-	-	-	-
Distribution to owners						
Bonus shares (note 4.2)	12,395	(12,395)	-	-	-	-
First interim dividend @ Rs. 1.5 per share	-	-	-	(94,822)	-	(94,822)
Balance as at June 30, 2022	632,144	2,738,888	1,546,319	4,898,668	1,670,759	11,486,778

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

1 STATUS AND NATURE OF BUSINESS

1.1 Shifa International Hospitals Limited (“the Group”) comprises of Shifa International Hospitals Limited (SIHL / parent company) and its subsidiaries, Shifa Development Services (Private) Limited, Shifa Neuro Sciences Institute Islamabad (Private) Limited, Shifa National Hospital Faisalabad (Private) Limited, Shifa Medical Center Islamabad (Private) Limited and Shifa International-DWC LLC.

1.2 SIHL was incorporated in Pakistan on September 29, 1987 as a private limited company under the repealed Companies Ordinance, 1984 and converted into a public limited company on October 12, 1989. The shares of the SIHL are quoted on Pakistan Stock Exchange Limited. The registered office of the SIHL is situated at Sector H-8/4, Islamabad. The principal activity of 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 and pharmacies in different cities of Pakistan.

1.3 Shifa Development Services (Private) Limited (SDSPL) was incorporated in Pakistan on December 18, 2014. The principal activity of SDSPL is to provide consulting services relating to healthcare 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.

1.4 Shifa Neuro Sciences Institute Islamabad (Private) Limited (SNS Islamabad) was incorporated in Pakistan on February 28, 2019. The principal line of business is to establish, run, control, manage and operate state of the art neuro sciences institute including diagnostic centres, clinics, laboratories, operation theaters, dental clinics, healthcare centres and provide all healthcare and surgical related facilities of different diseases, inpatient and outpatient services and treatment of viral, bacterial and chronic diseases and all other related services thereof, subject to permission from relevant authorities, if required. The registered office of SNS Islamabad is situated at Sector H-8/4, Islamabad.

1.5 Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) was incorporated in Pakistan on February 28, 2019. The principal line of business of the Company 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.

1.6 Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad) was incorporated in Pakistan on February 28, 2019. The principal line of business of the Company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

1.7 Shifa International-DWC LLC (SIDL) was incorporated in United Arab Emirates on December 16, 2019 as limited liability company. The principal activity of the SIDL which it may perform under the license issued by Dubai Aviation City Corporation are Marketing and project management services. The registered office of the SIDL is situated at Business Centre Logistic City, Dubai Aviation City, P.O Box 390667, Dubai, UAE.

1.8 Geographical locations of business units of the SIHL are as follows:

H-8 Hospital, Pitras Bukhari road, Sector H-8/4, Islamabad
Faisalabad Hospital, Main Jaranwala road, Faisalabad
G-10/4 Hospital, G-10 Markaz, Islamabad
Shifa Pharmacy, Opposite OPF College, F-8 Markaz Islamabad
Shifa Pharmacy, Saidpur, Rawalpindi
Shifa Pharmacy, Blue Area, Islamabad
Shifa Pharmacy, Gulberg Greens, Islamabad
Shifa Pharmacy, Abbottabad Road, Mansehra
Shifa Pharmacy Iskandarabad, Mianwali
Shifa Pharmacy, National Radio Telecommunication Corporation, Haripur
Shifa Pharmacy, Jamrud, Peshawar
Shifa Pharmacy, WAPDA, Mangla
Shifa Pharmacy, WAPDA, Faisalabad
F-11 Medical center, Savoy Arcade, F-11 Markaz Islamabad

Percentage share in total revenue given in note 27.	2022	2021
Islamabad	97%	97%
Faisalabad	3%	3%
	100%	100%

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

Judgments made by management in the application of the accounting and reporting standards that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

- i) Estimate of fair value of financial liabilities at initial recognition - notes 3.4 and 8
- ii) Provision for taxation - notes 3.5, 9 and 31
- iii) Right of use asset and corresponding lease liability - notes 3.6, 10 and 14
- iv) Employee benefits - notes 3.8, 11.3 and 11.4
- v) Provisions and contingencies - notes 3.9, 3.10 and 13
- vi) Estimate of useful life of property, plant and equipment - notes 3.11 and 14
- vii) Estimate of useful life of intangible assets - notes 3.12 and 15
- viii) Impairment of non-financial assets - notes 3.13
- ix) Estimate of recoverable amount of investment in associated company - notes 3.1 and 16
- x) Expected credit loss allowance - notes 3.15.2, 22.2 and 40.1.3
- xi) Provision for slow moving spares - notes 3.16, 3.17, 14.9.2 and 18

2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

		Effective date annual reporting periods beginning on or after
IAS 1	Amendments to 'IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies Amendments to IAS 1 'Presentation of Financial Statements' Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IAS 41, IFRS (1, 9 & 16)	Annual improvements to IFRS Standards 2018-2020	January 1, 2022
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture – Amendments	n/a*

* The Effective date is not yet issued

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

2.5.3 Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2022:

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are the same as those applied in earlier period presented.

3.1 Basis of consolidation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognized from the date the control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Associates (equity accounted investee)

Entities in which the Group has significant influence directly or indirectly (through subsidiaries) but not control and which are neither subsidiaries nor joint ventures of the members of the Group are associates and are accounted for under the equity method of accounting (equity accounted investees). These investments are initially recognized at cost. The consolidated financial statements include the associates' share of profit or loss and movements in other comprehensive income, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases. Share of post acquisition profit/loss of associates is recognized in the consolidated statement of profit or loss and consolidated statement of comprehensive income. Distributions received from associates reduce the carrying amount of investment.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Group's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Non controlling interest (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.2 Share capital and dividend

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

3.3 Financing and finance cost

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

3.4 Government grants

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

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

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the finance cost are recognized and finance cost are reported net of grant in - note 30.

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

3.5 Taxation

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

Current

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

Deferred

Deferred tax is accounted for using balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

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

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

Deferred tax asset of Rs. 55,179 thousand (2021: Rs. 41,205 thousand) on deductible temporary difference of Rs. 190,273 thousand (2021: Rs. 142,089 thousand) has not been recorded in respect of subsidiaries.

3.6 Leases

3.6.1 Right of use assets

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

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

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

3.6.2 Lease liability

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

3.7 Trade and other payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.8 Employee benefits

Defined benefit plan

The SIHL operates approved funded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined in the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the consolidated statement of profit or loss. The most recent valuation was carried out as at June 30, 2022 using the "Projected Unit Credit Method". The actuarial gains or losses at each evaluation date are charged to other comprehensive income. The results of actuarial valuation are summarized in note 11.4 of these consolidated financial statements.

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

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

During the year the SIHL has introduced a pension fund benefit in form of monthly contribution into private pension scheme (defined contribution plan) in place of existing staff gratuity benefit (defined benefit plan) for its full time management employees (contractual and regular). In response till the year end majority of management employees have opted the pension fund benefit and accordingly their gratuity obligations have been cleared from the SIHL gratuity fund which resulted into settlement loss of Rs. 37.7 million in consolidated statement of profit or loss. The employees who are currently covered under gratuity benefit not opting the pension benefit option will continue under gratuity scheme while new employee shall solely be covered under pension scheme after completing minimum eligibility criteria of their employment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Defined contribution plan

A defined contribution plan is a post-employment benefit plan where monthly contribution equal to 1/12th of eligible salary are made by the SIHL in employees' pension fund account maintained with designated asset management company and recognized as expense in the consolidated statement of profit or loss as and when they become due.

Compensated absences

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

3.9 Provisions

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

3.10 Contingencies

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

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

3.11 Property, plant and equipment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

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

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

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

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

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

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

3.12 Intangible assets

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

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

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

3.13 Impairment of non - financial assets

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

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

3.14 Investments

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

3.15 Financial assets

Initial measurement

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

The Group classifies its financial assets into following three categories:

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

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Subsequent measurement

i) Debt instrument at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the consolidated statement of profit or loss.

ii) Equity instrument at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in consolidated statement of profit or loss.

iv) Financial asset at amortized cost

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

3.15.1 Other financial assets

Investment in units of Mutual Funds are classified at fair value through profit or loss and is initially measured at fair value and subsequently is measured at fair value determined using the net assets value of the funds at each reporting date. Net gains and losses are recognized in the consolidated statement of profit or loss.

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

3.15.2 Impairment of financial assets

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

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

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

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

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

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

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

3.15.3 Derecognition

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

3.15.4 Financial liabilities

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss. Any gain or loss on de-recognition is also recognized in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.15.5 Off-setting financial assets and financial liabilities

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

3.16 Stores, spare parts and loose tools

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

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

3.17 Stock-in-trade

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

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

3.18 Trade debts, loans, deposits, interest accrued and other receivables

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

3.19 Cash and cash equivalents

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

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3.20 Non - current assets held for sale

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

3.21 Foreign currencies

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

3.22 Operating segment

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

3.23 Revenue recognition

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

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

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

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

Rental income is recognized on a straight line basis over the term of the rent agreement. Scrap sales and miscellaneous receipts are recognized on realized amounts.

3.24 Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Group's consolidated statement of financial position and payments made under Ijarah financing are recognized in the consolidated statement of profit or loss on a straight line basis over the term of the Ijarah.

3.25 Earnings per share

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

3.26 Fair value measurement

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

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

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

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

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

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

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

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

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs.10 each.

2022	2021		2022	2021
		Number	(Rupees in '000)	
61,974,886	61,974,886	Opening balance	619,749	619,749
		Bonus shares issued - during the year	12,395	-
63,214,383	61,974,886	Closing balance	632,144	619,749

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

4.2 During the year, SIHL issued bonus shares at the rate of 2% in proportion of one ordinary share for every fifty shares held (total 1,239,497 bonus shares having face value of Rs. 10 each) as approved in Annual General Meeting held on October 28, 2021.

4.3 7,436,986 (2021: 7,436,986) ordinary shares representing 12% (2021: 12%) shareholding in the SIHL are owned by International Finance Corporation (IFC). IFC has the right to nominate one director at the board of directors of the SIHL as long as IFC holds ordinary shares representing 5% of total issued share capital of the SIHL. Further, the SIHL if intends to amend or repeal the memorandum and articles, effects the rights of IFC on its shares issuance of preference shares ranking seniors to the equity securities held by IFC, incur any financial debt to any shareholder, change the nature of the business of the Company etc. shall seek consent of IFC.

4.4 The SIHL has no reserved shares for issuance under options and sales contracts.

5 SHARE PREMIUM

This comprise of share premium of Rs. 5, Rs. 250 and Rs. 229.29 per share received on issue of 8,000,000, 4,024,100 and 7,436,986 ordinary shares of Rs. 10 each in the years 1994, 2016 and 2020 respectively. Out of the above the SIHL during the current year has issued bonus shares at the rate mentioned in note 4.2 above. The balance reserve cannot be utilized except for the purposes mentioned in section 81 of the Companies Act, 2017.

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						2022	2021
6	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT					(Rupees in '000)	
Balance at beginning of year						1,409,434	1,225,930
Revaluation surplus during the year						214,861	298,914
Transfer to non-controlling interest						(42,854)	(93,445)
Realization of revaluation surplus on disposal of assets						(24,883)	(12,541)
Transferred to unappropriated profits in respect of incremental depreciation / amortization charged during the year						(10,239)	(9,424)
Balance at end of year						1,546,319	1,409,434
6.1	Surplus on revaluation of property, plant and equipment in respect of leasehold and freehold lands is not available for distribution of dividend to the shareholders of the Group in accordance with section 241 of the Companies Act, 2017.						
7	NON - CONTROLLING INTEREST (NCI)						
7.1	Following is the summarized financial information of SDSPL, SNH Faisalabad and SMC Islamabad:						
	Summarized statement of financial position						
NCI percentage	SDSPL		SNH Faisalabad		SMC Islamabad		Total
	45%	45%	40%	40%	44%	44%	
	2022	2021	2022	2021	2022	2021	
(Rupees in '000)							
Current assets	198,390	123,563	302,392	70,550	522,480	505,193	1,023,262
Non-current assets	27,142	29,466	1,575,467	843,030	1,658,008	1,194,831	3,260,617
Current liabilities	110,942	79,595	86,701	320	14,473	7,025	212,116
Non-current liabilities	8,481	10,639	-	-	2,448	995	10,929
Net assets	106,109	62,795	1,791,158	913,260	2,163,567	1,692,004	4,060,834
Accumulated NCI	(8,748)	7,558	724,105	368,833	955,402	743,415	1,670,759
Summarized statement of comprehensive income							
Net revenue	334,704	281,473	-	-	-	-	334,704
Other income	5,387	26,090	9,691	1,153	19,454	38,783	34,532
Profit / (loss) for the year	43,314	51,116	(4,197)	(10,582)	(6,225)	16,785	32,892
Other comprehensive income	-	-	21,996	206,462	77,789	24,846	99,785
Total comprehensive income	43,314	51,116	17,799	195,880	71,564	41,631	132,677
Profit / (loss) attributable to NCI	(16,307)	6,221	2,413	(706)	1,753	11,191	(12,141)
Comprehensive income for the year attributable to NCI	-	-	8,798	82,585	34,056	10,860	42,854
Total comprehensive income / (loss) for the year attributable to NCI	(16,307)	6,221	11,211	81,879	35,809	22,051	30,713
Summarized statement of cash flows							
Cash flows from operating activities	47,420	24,342	(124,162)	(24,932)	(219,418)	(22,705)	(296,160)
Cash flows from investing activities	(17,532)	(9,079)	(760,971)	(293,102)	(161,460)	(91,889)	(939,963)
Cash flows from financing activities	(1,548)	(1,080)	860,100	308,234	400,000	-	1,258,552
Net increase / (decrease) in cash and cash equivalent	28,340	14,183	(25,033)	(9,800)	19,122	(114,594)	22,429
							(110,211)

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8	LONG TERM FINANCING - SECURED	Note	2022	
			(Rupees in '000)	2021
	From banking companies and non banking financial institution:			
	Syndicated Islamic Finance Facility	8.1	1,283,907	1,854,086
	Diminishing Musharakah Facility-1	8.2	250,754	434,274
	Diminishing Musharakah Facility-2	8.3	416,667	500,000
	Diminishing Musharakah Facility-3	8.4	26,160	-
	Refinance Facility to Combat COVID-19 (RFCC)	8.5	88,194	-
	Deferred income - Government grant		29,483	-
			117,677	-
	Islamic Refinance facility to combat Covid-19 (IRFCC)	8.6	128,952	127,789
	Deferred income - Government grant		20,014	25,526
			148,966	153,315
	Islamic Refinance Facility to Combat COVID-19 (IRFCC)	8.7	34,209	-
	Deferred income - Government grant		11,775	-
			45,984	-
	State Bank of Pakistan (SBP) -refinance scheme	8.8	311,283	780,354
	Deferred income - Government grant		6,239	44,101
			317,522	824,455
			2,607,637	3,766,130
	Less: current portion		1,334,536	1,405,722
			1,273,101	2,360,408

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

8.2 This include outstanding balance of Rs. 210.4 million (2021: Rs. 405.3 million) against the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 449.5 million (2021: Rs. 442.9 million). Principal amount is repayable in 36 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.80% (2021: 3 months KIBOR plus 0.80%) per annum. The financing is secured by first exclusive charge of Rs. 781.3 million against equipment / machinery. The unavailed limit of this facility is Rs. 20.7 million (2021: Rs. 19.6 million). This also includes an outstanding balance of Rs. 40.3 million (2021: Rs. 28.9 million) against long term Islamic finance facility obtained under Diminishing Musharakah basis from First Habib Modaraba of Rs. 57.7 million (2021: Rs. 37.6 million). Principal amount is repayable in 60 equal monthly installments carrying profit rate at 3 months KIBOR plus 0.70% (2021: 3 months KIBOR plus 0.70%) per annum. The unavailed limit of this facility is Rs. 12.3 million (2021: Rs. 32.4 million).

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8.3 This represents outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 500 million (2021: Rs. 500 million). Principal amount shall be repaid by October 01, 2024 in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.85% (2021: 3 months KIBOR plus 0.85%) per annum. The financing is secured by first pari passu charge of Rs. 667 million on all present and future fixed assets of the SIHL.

8.4 This represents a long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 26.2 million (2021: Nil). Principal amount is repayable in 12 equal quarterly installments carrying profit rate at 3 months KIBOR plus 0.70% (2021: Nil) per annum. The financing is secured by ranking charge of Rs. 800 million against plant and machinery being financed under DM facility to be installed / placed at Hospital located in H-8/4, Islamabad. The charge will be upgraded to first exclusive charge against plant and machinery being financed under this facility. The unavailed limit of this facility is Rs. 492.9 million (2021: Nil).

8.5 This represents the outstanding balance of long term finance facility obtained from United Bank Limited of Rs. 124.6 million (2021: Nil). Principal amount shall be repaid by September 14, 2026 in 18 equal quarterly installments carrying profit at 1% (2021: Nil) 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 Rs. 75.4 million (2021: Rs. 200 million). Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using the SIHL's effective profit rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	-	-
Received during the year	29,857	-
Amortization during the year	(374)	-
Balance at end of the year	29,483	-

8.6 This represents the outstanding balance of long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 183.1 million (2021: Rs. 153.3 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid by December 29, 2025 in 18 equal quarterly installments with no profit rate. The financing is secured by first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the SIHL (excluding land and building). The unavailed limit of this facility is Rs. 16.9 million (2021: Rs. 34.9 million). Since the financing under SBP refinance scheme carries no profit rate, the loan has been recognized at present value using the SIHL's effective profit rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	25,526	-
Received during the year	5,140	29,847
Amortization during the year	(10,652)	(4,321)
Balance at end of the year	20,014	25,526

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8.7 This represents the outstanding balance of long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.9 million (2021: Nil) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under State Bank of Pakistan IRFCC scheme. Principal amount shall be repaid in 9 equal half yearly installments with profit rate of 1% per annum. The facility is secured by ranking charge of Rs. 55 million over equipment / machinery against DM IRFCC. The unavailed limit of this facility is Nil (2021: Rs. 17.4 million). Since the financing under SBP refinance scheme carries the profit rate below the market rate, the loan has been recognized at present value using the SIHL's effective profit rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	-	-
Received during the year	12,063	-
Amortization during the year	(288)	-
Balance at end of the year	11,775	-

8.8 This represents the outstanding balance of long term finance facility aggregating to Rs. 1,012.2 million (2021: Rs. 1,012.2 million) obtained from United Bank Limited under the State Bank of Pakistan's (SBP) temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19. The SIHL has availed the financing in six tranches from April 2020 to September 2020 at a subsidized markup rate of 0.85% per annum. The financing is repayable in 08 equal quarterly installments starting from January 2021 and shall be fully settled by January 31, 2023. The facility is secured by first pari passu charge of Rs. 1,333.3 million over fixed assets (excluding land and building) of the SIHL. Since the financing under SBP refinance scheme carries the markup rate below the market rate, the loan has been recognized at present value using the SIHL's effective interest rate along with the recognition of government grant as detailed below:

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	44,101	53,193
Received during the year	-	52,783
Amortization during the year	(37,862)	(61,875)
Balance at end of the year	6,239	44,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	DEFERRED TAXATION	Note	2022		2021
			(Rupees in '000')		
9	Deferred tax liability	9.1	525,719	504,777	
	Deferred tax asset	9.2	(185,842)	(173,178)	
	Net deferred tax liability		339,877	331,599	
9.1	Deferred tax liability on taxable temporary differences:				
	Accelerated depreciation / amortization allowance		525,719	504,777	
9.2	Deferred tax asset on deductible temporary differences:				
	Right of use assets net of lease liabilities		(34,742)	(13,462)	
	Specific provisions		(87,261)	(83,981)	
	Retirement benefit obligation		(63,839)	(75,735)	
			(185,842)	(173,178)	
9.3	Movement in deferred taxation	Opening balance	Statement of profit or loss	Other comprehensive Income	Closing balance
	Deferred tax liabilities / (assets)				(Rupees in '000')
	2022				
	The balance of deferred tax is in respect of the following temporary differences:				
	Effect of taxable temporary differences				
	Accelerated depreciation / amortization allowance	504,777	20,942	-	525,719
	Effect of deductible temporary differences				
	Right of use assets net of lease liabilities	(13,462)	(21,280)	-	(34,742)
	Specific provisions	(83,981)	(3,280)	-	(87,261)
	Retirement benefit obligation	(75,735)	19,803	(7,907)	(63,839)
		331,599	16,185	(7,907)	339,877
	2021				
	The balance of deferred tax is in respect of the following temporary differences:				
	Effect of taxable temporary differences				
	Accelerated depreciation allowance	534,882	(30,105)	-	504,777
	Effect of deductible temporary differences				
	Specific provisions	(48,087)	(35,894)	-	(83,981)
	Right of use assets net of lease liabilities	9,104	(22,566)	-	(13,462)
	Retirement benefit obligation	(56,904)	(5,513)	(13,318)	(75,735)
		438,995	(94,078)	(13,318)	331,599

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

9.4 Deferred tax assets and liabilities on temporary differences are measured at the rate of 33% (2021: 29%).

	2022	2021
10	LEASE LIABILITIES (Rupees in '000')	
Balance at beginning of the year	384,043	398,798
Additions during the year	347,365	111,877
Interest expense	52,635	43,263
Terminated during the period	(2,460)	-
Payment during the year	(172,702)	(169,895)
Balance at end of the year	608,881	384,043
Less: current portion	173,173	118,456
	435,708	265,587

10.1 Lease liabilities are payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000')		
2022			
Less than one year	195,041	21,868	173,173
Between one and five years	406,123	135,160	270,963
More than five years	309,920	145,175	164,745
	911,084	302,203	608,881
2021			
Less than one year	195,926	77,470	118,456
Between one and five years	226,575	127,395	99,180
More than five years	299,286	132,879	166,407
	721,787	337,744	384,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

11	TRADE AND OTHER PAYABLES	Note	2022	2021
			(Rupees in '000)	(Rupees in '000)
	Creditors	11.1	1,767,504	1,497,739
	Accrued liabilities		586,888	480,777
	Advances from customers		293,743	272,842
	Medical consultants' charges		511,357	493,854
	Security deposits	11.2	118,472	112,342
	Compensated absences	11.3	131,211	113,857
	Defined contribution plan		29,188	-
	Retention money		16,228	9,385
	Payable to Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund (the Fund)	11.4	193,453	251,594
			3,648,044	3,232,390
11.1	This include payables to related parties (unsecured) as detailed below:			
	Tameer -e- Millat Foundation (TMF)		11,660	13,073
	Shifa Tameer -e- Millat University (STMU)		6,458	5,041
			18,118	18,114
11.2	This includes security deposits retained from employees Rs. 37,095 thousand (2021: Rs. 33,219 thousand) which are held in separate bank account and obtained from customers Rs. 81,377 thousand (2021: Rs. 79,123 thousand) which are utilizable for the purpose of the business in accordance with agreements with customers.			
11.3	Compensated absences	Note	2022	2021
			(Rupees in '000)	(Rupees in '000)
	Balance at beginning of the year		113,857	108,324
	Provision made for the year		67,049	46,378
			180,906	154,702
	Payments made during the year		(49,695)	(40,845)
	Balance at end of the year		131,211	113,857
11.4	The amounts recognized in the consolidated statement of financial position:			
	Present value of defined benefit obligation	11.4.1	398,711	798,687
	Fair value of plan assets	11.4.2	(205,258)	(547,093)
			193,453	251,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022	2021
		(Rupees in '000)	
11.4.1	Movement in the present value of defined benefit obligation:		
Balance at beginning of the year		798,687	667,697
Interest cost		47,760	53,470
Current service cost		105,084	128,179
Past service cost		-	4,852
Benefits paid / adjusted	3.8	(608,160)	(77,096)
Benefits payable		(1,725)	(1,840)
Loss arrising on plan settlements	3.8	37,717	-
Remeasurement loss on defined benefit obligation		19,348	23,425
Balance at end of the year		398,711	798,687
11.4.2	Movement in the fair value of plan assets:		
Balance at beginning of the year		547,093	471,476
Expected return on plan assets		31,445	42,584
Contributions		241,218	134,468
Benefits paid / adjusted		(608,160)	(77,096)
Benefits payable		(1,725)	(1,840)
Remeasurement loss on plan assets		(4,613)	(22,499)
Balance at end of the year		205,258	547,093
11.4.3	Charge for the year:		
Current service cost		105,084	128,179
Interest cost		47,760	53,470
Past service cost		-	4,852
Loss arrising on plan settlements		37,717	-
Expected return on plan assets		(31,445)	(42,584)
		159,116	143,917
11.4.4	Remeasurements recognized in other comprehensive income (OCI):		
Remeasurement loss on obligation		19,348	23,425
Remeasurement loss on plan assets		4,613	22,499
Remeasurement loss recognized in OCI		23,961	45,924
11.4.5	Movement in liability recognized in consolidated statement of financial position:		
Balance at beginning of the year		251,594	196,221
Charge for the year		159,116	143,917
Remeasurement recognized in OCI during the year		23,961	45,924
Contributions during the year		(241,218)	(134,468)
Balance at end of the year		193,453	251,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022	2021
		(Rupees in '000)	
11.4.6	Plan assets comprise of:		
	Term deposit receipts	133,892	388,947
	Ordinary shares of SIHL	11.4.6.1	14,056
	Cash and bank balances		68,619
	Payable to outgoing members		(11,309)
			(1,840)
		205,258	547,093

11.4.6.1 Number of ordinary shares of SIHL held by the Fund at year end were 78,461 shares (2021: 76,923 shares) with market value of Rs. 179.14 (2021: Rs. 219.15) per share.

		2022	2021
11.4.7	The principal actuarial assumptions used in the actuarial valuation:		
	Discount rate used for interest cost in profit or loss	11.75%	8.50%
	Discount rate used for year end obligation	13.25%	10.00%
	Expected rate of salary growth		
	Salary increase FY 2022	N/A	7.00%
	Salary increase FY 2023-25	9.25%	9.00%
	Salary increase FY 2026 onward	11.25%	9.00%
	Mortality rate	SLIC 2001-2005 set back 1 year	SLIC 2001-2005 set back 1 year
	Withdrawal rates	Age based	Age based
	Retirement assumption	Age 60	Age 60

11.4.8 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of a change in respective assumptions by one percent.

	2022		2021	
	Defined benefit obligation		Defined benefit obligation	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
(Rupees in '000)				
Discount rate	373,013	427,045	741,390	864,740
Future salary increase	427,576	372,149	865,362	739,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

11.4.9 The average duration of the defined benefit obligation as at June 30, 2022 is 8.5 years (2021: 8 years).

11.4.10 Risk associated with the scheme

Final salary risk

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

Demographic risks

a) Mortality risk

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

b) Withdrawal risk

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

c) Investment risk

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

		2022	2021
		(Rupees in '000')	
12	MARKUP ACCRUED		
	Long term financing - secured	35,658	16,913
13	CONTINGENCIES AND COMMITMENTS		
13.1	Contingencies		
13.1.1	Claims aggregating to Rs. 3 million (2021: Rs. 3 million) are pending before Peshawar and Islamabad High Courts by patients / others against the SIHL for alleged negligence on part of the consultants / doctors etc. The management of the SIHL is contesting these claims and believes that the contention of the claimants will not be successful and no material liability is likely to arise.		
13.1.2	The penalty of Rs. 20 million (2021: Rs. 20 million) imposed on June 06, 2012 by Competition Commission of Pakistan (CCP) to each Gulf Cooperation Council's (GCC) Approved Medical Centers (GAMCs) including SIHL on account of alleged non- competitive practice of territorial division and equal allocation of GAMCs customers. Management of the SIHL and other GAMCs are jointly contesting the matter which is pending before the August Supreme Court of Pakistan for decision and management of the SIHL firmly believe that the case will be decided in favor of the GAMCs including SIHL.		
13.1.3	The guarantees issued by banks in favor of Sui Northern Gas Pipelines Limited (SNGPL), Oil and Gas Development Company Limited (OGDCL) and Pakistan Telecommunication Company Limited (PTCL) of aggregate sum of Rs. 43.35 million (2021: Rs. 43.35 million) on behalf of the SIHL in its ordinary course of business.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

13.1.4.1 Tax authorities has amended the assessments for tax years 2012, 2013, 2014, 2015, 2016 and 2019 under section 122(5A)/124 of Income Tax Ordinance, 2001 (the Ordinance) and raised tax demands of Rs. 6.4 million, Rs. 97 million, Rs. 85.5 million, Rs. 26.1 million, Rs. 85.4 million and Rs. 37 million respectively. Being aggrieved the SIHL agitated the assessments in appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] who partly confirmed the assessments and partly allowed relief to the SIHL while confirmed the assessment for tax year 2015. The SIHL being aggrieved filed appeals against the appellate orders before the Appellate Tribunal Inland Revenue [ATIR] on various dates from September 2018 to November 2021 which are pending adjudications.

13.1.4.2 Tax authorities levied tax of Rs. 109.6 million, Rs. 178.4 million, Rs. 27.4 million and Rs. 29.2 million under section 161/205 of the Ordinance for tax year 2016, 2014, 2013 and 2012 respectively on account of alleged non deduction of tax on payments. Being aggrieved the SIHL agitated the assessments in appeals before the CIR(A) who in respect of tax year 2012 has deleted the assessment, while set aside the assessment for tax year 2013, confirmed the assessment for tax year 2014 and appeal for tax year 2016 filed on July 27, 2022 is a pending adjudication. The SIHL being aggrieved filed appeals for tax years 2013 and 2014 before ATIR where appeal for tax year 2013 filed on November 26, 2019 is pending adjudication, while ATIR has set aside the assessment for tax year 2014 for denovo consideration.

13.1.4.3 Tax authorities amended the assessments for tax years 2012, 2013 and from 2015 to 2017 u/s 122(5) of the Ordinance and raised aggregate tax demand of Rs. 1,350.9 million. Being aggrieved the SIHL agitated the assessments in appeals before the CIR(A) who annulled all the assessment orders and hence demand stand deleted. Being dissatisfied with order of the CIR(A), the tax department has filed appeals before ATIR on November 15, 2018, which is pending adjudication.

13.1.4.4 The Assistant Commissioner Inland Revenue (ACIR) has amended the SIHL's assessment for tax year 2014 and 2015 u/s 221 of the Ordinance which has resulted in an aggregate tax demand of Rs. 11.8 million. Being aggrieved, the SIHL has filed appeals before CIR (A) who remanded back the said assessments to ACIR. The SIHL as well as the tax department have filed cross appeals against the CIR(A) order before the ATIR in January 2018, which is pending adjudication.

13.1.4.5 Tax authorities amended the assessment for tax year 2014 u/s 177 of the Ordinance and raised a tax demand of Rs. 1,143.8 million. Being aggrieved the SIHL agitated the assessment in appeal before the CIR (A) who annulled the assessment order and hence tax demand stand deleted as of today. The tax department has filed an appeal before ATIR on November 27, 2019, against the decision of CIR(A) which is pending adjudication.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

13.1.4.6 Tax authorities raised a sales tax demand of Rs. 44.4 million, Rs. 56.2 million, Rs. 57.4 million, Rs. 55.9 million and Rs. 11.3 million under section 11 of the Sales Tax Act, 1990 on account of alleged non-payment of sales tax for tax years 2016 to 2020 respectively. Being aggrieved the SIHL agitated the assessments in appeals before CIR(A). For tax year 2017 to 2020 CIR(A) partially confirmed the judgements of DCIR while deleted the assessment for tax year 2016. Being aggrieved SIHL has filed appeals before ATIR for tax years 2018 and 2020 who in respect of tax year 2018 partially confirmed the assessment and partly allowed relief to the SIHL whereas appeal for tax year 2020 filed on December 13, 2021 is pending adjudication.

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

	2022	2021
	(Rupees in '000')	
13.2 Commitments		
13.2.1 Capital expenditure contracted	135,129	45,109
13.2.2 Letters of credit	138,470	79,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

14. PROPERTY, PLANT AND EQUIPMENT

Particulars	Owned assets							Right of use assets						
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Leasehold improvements	Biomedical equipment	Conditioning equipment and machinery	Computer equipment	Computer installations	Vehicles	Capital work-in-progress (note 14.9)	Office premises	Electrical and other equipment	Total
(Rupees in 000)														
Cost / revalued amount														
Balance as at July 01, 2020	987,425	2,740,102	58,898	3,301,696	61,610	4,181,797	475,852	692,590	217,895	2,788	536,200	119,498	495,993	471,790
Additions	283,968	-	-	-	-	59,820	28,867	27,098	11,645	-	31,823	8,702	596,710	112,520
Revaluation	230,579	68,335	-	-	-	-	-	-	-	-	(419)	(9,741)	-	-
Disposals	-	-	-	-	-	(3,535)	(7)	(4,400)	(182)	-	(2,773)	547	2,000	(270,012)
Write offs	-	-	-	-	-	255,719	(7)	11,534	212	-	-	-	-	(10,008)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(292,072)
Reclassified as held for sale (note 26)	(292,072)	2,808,437	58,898	3,301,696	61,610	4,493,801	504,712	723,311	229,570	2,788	565,378	120,459	822,691	584,310
Balance as at June 30, 2021	1,219,900	2,808,437	58,898	3,301,696	61,610	4,493,801	504,712	723,311	229,570	2,788	565,378	120,459	822,691	584,310
Revaluation	6,030	-	-	-	-	22,586	118,418	7,438	44,963	10,692	223	65,493	30,580	1,406,908
Disposals	66,252	148,609	-	-	-	-	-	-	-	-	(532)	(2,029)	-	-
Termination of lease	-	-	-	-	-	(12,801)	-	-	-	-	(12,801)	-	-	(7,241)
Write offs	-	-	-	-	-	(13,451)	(4,032)	(1213)	(132)	-	(3,423)	-	-	(22,251)
Transfers	-	-	-	-	-	35,203	-	4,039	1,067	-	12,205	-	(52,514)	-
Balance as at June 30, 2022	1,292,182	2,957,046	58,898	3,301,696	84,196	4,621,170	508,118	771,100	241,197	3,011	639,121	149,010	2,177,085	945,256
Depreciation / amortization														57,000
Balance as at July 01, 2020	-	116,253	982	734,499	27,972	2,179,665	253,375	466,291	125,840	1,639	376,238	94,558	-	122,589
Charge for the year	-	36,488	2,945	110,354	12,322	330,331	49,920	58,634	17,579	250	68,097	8,589	-	126,295
On disposals	-	-	-	-	-	-	-	(4,400)	-	-	(419)	(9,286)	-	-
On write offs	-	-	-	-	-	(2,892)	(3)	(3,211)	(158)	-	(2,767)	-	-	(9,031)
Balance as at June 30, 2021	-	152,741	3,927	844,853	40,294	2,507,104	303,292	517,314	143,261	1,889	441,149	93,861	-	248,884
Charge for the year	-	37,752	3,927	844,853	40,294	2,507,104	303,292	517,314	143,261	1,889	441,149	93,861	-	30,084
On disposals	-	-	-	109,027	12,511	335,151	52,083	58,225	17,710	272	69,544	11,813	-	151,750
Termination of lease	-	-	-	-	-	(11,866)	-	-	-	-	(316)	(1,523)	-	(5,431)
On write offs	-	-	-	-	-	(11,765)	(3,596)	(1,169)	(101)	-	(3,386)	-	-	(20,017)
Balance as at June 30, 2022	-	190,493	6,871	933,880	52,805	2,818,624	381,779	574,370	160,870	2,161	506,991	104,151	-	395,203
Carrying value as at June 30, 2021	1,219,900	2,655,696	54,971	2,456,843	21,316	1,986,697	201,420	205,997	889	124,229	26,598	822,691	335,126	6,167,282
Carrying value as at June 30, 2022	1,292,182	2,766,553	52,027	2,347,846	31,391	1,802,546	156,339	196,730	80,327	850	132,130	44,859	2,177,085	550,053
Annual rate of depreciation %	-	1,34-3.03	2.5-10	2.5-10	20	10	10-15	10-15	10	10-20	25	20	-	33.3

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14.1 The Group freehold and leasehold lands were revalued on June 30, 2022 by an independent professional valuer using the fair market value basis which resulted in increases in surplus by Rs. 66,252 thousand and Rs. 148,609 thousand respectively. Total unamortized surplus against the revaluation of freehold and leasehold lands as at June 30, 2022 stood at Rs. 1,874,929 thousand (2021: Rs. 1,660,068 thousand).

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

	Cost	Accumulated amortization	Carrying value
Freehold land	(Rupees in '000')		
June 30, 2022	980,135	-	980,135
June 30, 2021	974,105	-	974,105
Leasehold land			
June 30, 2022	1,599,133	144,697	1,454,436
June 30, 2021	1,599,133	121,984	1,477,149

14.3 Particulars of Group's freehold and leasehold lands are as follow:

Location	Nature	2022	2021
		Area (kanal)	
Shifa Cooperative Housing Society, Islamabad Expressway	Freehold land	2	2
Motorway, Mouza Noon, Islamabad.	Freehold land	100	100
Faisalabad Motorway	Freehold land	48.2	48.2
SNHF Hospital, Faisalabad Sheikhupura Road	Freehold land	49.6	49.6
SMCI Hospital, F-11, Islamabad	Leasehold land	6.7	6.7
Neurosciences Institute, H-8/4, Islamabad	Leasehold land*	11.7	11.7
SIHL H-8/4, Islamabad	Leasehold land*	87.8	87.8

*The covered area includes multi-storey buildings.

14.4 Property, plant and equipment include items with aggregate cost of Rs. 2,370,718 thousand (2021: Rs. 2,055,773 thousand) representing fully depreciated assets that are still in use of the SIHL.

14.5 Property, plant and equipment of the Company are encumbered under an aggregate charge of Rs. 7,665.6 million (2021: Rs. 6,810.6 million) in favor of banking companies under various financing arrangements as disclosed in note 8.

14.6 The forced sale values (FSV) of the revalued leasehold and freehold lands have been assessed at Rs. 2,213,318 thousand (2021: Rs. 2,124,557 thousand) and Rs. 1,033,746 thousand (2021: Rs. 1,023,848 thousand) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14.7 The sale deed of the land and building of SNS Islamabad acquired and registered with the sub registrar Islamabad immediate after acquisition. After wards the SNS Islamabad has initiated the procedures for transfer of ownership of the property in its name with Capital Development Authority (CDA). However, the transfer process is pending as the same has been objected by CDA without any substance and therefore subject to rejection at initial stage of proceedings.

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

Asset particulars / Location	Note	Cost / revalued amount	Carrying value	Sale proceeds	Gain on disposal	Purchaser	Mode of Disposal
(Rupees in '000')							
Islamabad Motorway Land	26.2	109,239	109,239	116,520	7,281	Various third parties through Soft Sys (Private) Limited	Negotiation
Shifa Cooperative Housing Society	26.2	63,489	63,489	131,200	67,711	Various third parties	Negotiation
Other assets having carrying value less than Rs. 500 thousand	14	172,728	172,728	247,720	74,992		
2022		15,362	1,657	3,486	1,829		
		188,090	174,385	251,206	76,821		
2021		203,554	189,449	231,424	41,975		

		2022	2021
14.9	Capital work-in-progress	Note	(Rupees in '000')
	Construction work-in-progress	14.9.1	1,739,252
	Stores held for capital expenditure	14.9.2	976
	Installation of equipment in progress		436,857
			2,177,085
			822,691

14.9.1 Construction work-in-progress - at cost

This represents the cost of civil works mainly comprising of cost of materials, payments to contractors, salaries and benefits pertaining to construction works being carried out as detailed below:

	2022	2021
	(Rupees in '000')	
SMCI Hospital, F-11, Islamabad	806,923	424,073
SNHF Hospital, Faisalabad	638,747	-
Other constructions	293,582	125,202
	1,739,252	549,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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		Note	2022 (Rupees in '000)	2021
14.9.2	Stores held for capital expenditure			
	Stores held for capital expenditure		4,524	4,524
	Less: provision for slow moving items	14.9.2.1	3,548	3,548
			976	976
14.9.2.1	Balance at beginning of the year		3,548	2,651
	Charged during the year		-	897
	Balance at the end of the year		3,548	3,548
15	INTANGIBLE ASSETS			
	Softwares in use	15.1	12,582	32,052
	Software under development		39,375	-
			51,957	32,052
15.1	Softwares in use			
	Cost			
	Balance at beginning of the year		106,216	105,973
	Addition during the year		1,826	243
	Balance at end of the year		108,042	106,216
	Accumulated Amortization			
	Balance at beginning of the year		74,164	47,897
	Charged during the year		21,296	26,267
	Balance at end of the year		95,460	74,164
	Net book value		12,582	32,052
15.2	Software under development			
	Balance at beginning of the year		-	-
	Addition during the year	15.2.1	39,375	-
	Balance at end of the year		39,375	-
15.2.1	This represents the amount paid by SIHL to Shifa Care (Private) Limited for provision of Hospital Supply Chain Management system (HSCM). Out of total scope, three sub modules of HSCM have been developed and the integration of the aforesaid modules with existing Hospital Management Information System (HMIS) is in progress and expected to be functional during the next financial year.			
15.3	Amortization of softwares in use has been recorded at rate of 25 % (2021: 25%) per annum.			
15.4	Intangible assets include items with aggregate cost of Rs. 39,132 thousand (2021: Rs. 10,810 thousand) representing fully amortized asset that are still in use of SIHL.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

16	LONG TERM INVESTMENT	2022	2021
		(Rupees in '000)	
	Shifa Care (Private) Limited (SCPL) - Associated Company (unquoted)		
	Balance at the beginning of the year	35,961	22,472
	Addition during the year	-	15,000
	Share in loss for the year	(3,099)	(1,511)
	Balance at the end of the year	32,862	35,961

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

		2022	2021
		(Rupees in '000)	
	Summarized statement of financial position		
	Non-current assets	58,322	49,641
	Current assets	52,787	24,767
	Current liabilities	(45,385)	(2,485)
	Net assets	65,724	71,923
	Reconciliation to carrying amounts:		
	Opening net assets	71,923	44,944
	Total comprehensive loss for the year	(6,199)	(3,021)
	Equity	-	30,000
	Closing net assets	65,724	71,923
	Group's share in carrying value of net assets	32,862	35,962
	Group's share in total comprehensive loss	(3,099)	(1,511)
	Summarized statement of comprehensive income or loss		
	Revenue for the year – Gross	-	-
	Loss for the year	(6,199)	(3,021)
	Other comprehensive loss for the year	-	-
	Total comprehensive loss for the year	(6,199)	(3,021)

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

17	LONG TERM DEPOSITS	Note	2022	2021
			(Rupees in '000)	
	Ijarah key money deposits		-	15,906
	Less: current portion of Ijarah key money deposits		-	15,906
	Security deposits	17.1	89,093	74,007
			89,093	74,007

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

		2022	2021
	STORES, SPARE PARTS AND LOOSE TOOLS	Note	(Rupees in '000)
	Stores	209,391	153,955
	Spare parts	26,654	33,893
	Loose tools	699	1,332
		236,744	189,180
	Less: provision for slow moving items	18.1	26,555
		210,189	165,312

18.1	Balance at beginning of the year	23,868	18,604
	Charged during the year	2,687	5,264
	Balance at end of the year	26,555	23,868

19 STOCK-IN-TRADE

This represents medicines being carried at moving average cost.

		2022	2021
	TRADE DEBTS	Note	(Rupees in '000)
	Related party - Shifa Foundation	20.1	9,736
	Others		1,126,290
			1,136,026
	Less: allowance for expected credit losses (ECL)	40.1.3	171,257
			964,769
			879,705

20.1 Maximum amount due from Shifa Foundation at the end of any month during the year was Rs. 20,694 thousand (2021: Rs. 21,265 thousand).

		2022	2021
	LOANS AND ADVANCES	Note	(Rupees in '000)
	Considered good - unsecured		
	Executives	21.1	4,199
	Other employees		18,101
			22,300
	Consultants - unsecured		3,661
	Suppliers / contractors - unsecured		621,266
			647,227
			348,919

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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		2022	2021
		(Rupees in '000)	
21.1	Reconciliation of carrying amount of advances given to executives:		
	Balance at beginning of the year	3,291	2,726
	Disbursements during the year	19,783	19,341
		23,074	22,067
	Less: repayments during the year	18,875	18,776
	Balance at end of the year	4,199	3,291
21.1.1	The above advances were given in accordance with the SIHL's service rules. The maximum amount due from executives at the end of any month during the year was Rs. 4,716 thousand (2021: Rs. 5,743 thousand).		

		2022	2021
	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	(Rupees in '000)
	Current portion of Ijarah key money deposits	-	15,906
	Short term prepayments	37,046	29,389
	Other receivables	22.1	270,733
			307,779
	Less: allowance for expected credit losses against other receivables	22.2	58,377
			70,094
			249,402
			72,192

22.1 This includes Rs. 35,416 thousand (2021: Rs. 24,335 thousand) due from SIHT (Private) Limited and maximum amount due from SIHT (Private) Limited at the end of any month during the year was Rs. 72,695 thousand (2021: Rs. 70,322 thousand).

		2022	2021
	Allowance for expected credit losses against other receivables	Note	(Rupees in '000)
	Balance at beginning of the year	70,094	18,192
	Charge during the year	22.2.1	40,185
	Less: bad debts written off	22.2.2	(51,902)
	Balance at end of the year	58,377	70,094

22.2.1 This amount represent of advance paid against purchasse of land which the SIHL considered a bit doubtful. Though the SIHL actively pursuing for its recovery.

22.2.2 The balance due from Shifa Pan African Hospitals Limited – Tanzania (the Project) is written off as the Project has been abandoned due to multiple factors including substantial increase in project costs and the death of two out of three partners of Fatima Properties the sponsor of the Project based in Tanzania.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

23	OTHER FINANCIAL ASSETS	Note	2022	2021
			(Rupees in '000)	
	Investment-at amortized cost	23.1	71,824	343,788
	Investment in Mutual Funds - at fair value through profit or loss	23.2	837,801	758,414
			909,625	1,102,202

23.1 This represent T- Bills purchased on June 02, 2022 to be matured on August 25, 2022 at a yield of 14.67% per annum (2021: T- Bill purchased on February 25, 2021 and matured on August 26, 2021 at a yield of 7.49% per annum) and two term deposit receipts (TDRs) having face value of Rs. 3 million (2021: Rs. 3 million) and Rs. 15 million (2021: Nil) with three months maturity with profit payable on monthly basis at the rate ranging from 5.50% to 12.25% per annum (2021: 5.00% to 6.60% per annum) and with one year maturity with profit payable on monthly basis at the rate ranging from 6.00% to 14.00% per annum (2021: Nil) respectively.

23.2 This represents investment in 5,059,495.1 units (2021: 6,157,748.3 units) and 3,223,094 units (2021: 1,373,000 units) of UBL Al-Ameen Islamic Cash Fund and HBL Cash Fund respectively. Fair value of the investment was determined using quoted repurchase price at year end.

24	TAX REFUNDS DUE FROM THE GOVERNMENT (NET OF PROVISION)	Note	2022	2021
			(Rupees in '000)	
	Balance at the beginning of the year		480,548	504,181
	Income tax paid / deducted at source during the year		465,990	370,962
			946,538	875,143
	Provision for taxation for the year	31	(476,362)	(394,595)
	Balance at the end of the year		470,176	480,548
25	CASH AND BANK BALANCES			
	Cash at banks in:			
	Current accounts			
	Local currency		463,875	436,512
	Foreign currency		1,374,994	1,663,510
			1,838,869	2,100,022
	Saving accounts:			
	Local currency		620,678	820,926
	Foreign currency		204	157
		25.1	620,882	821,083
		25.2	2,459,751	2,921,105
	Cash in hand		8,749	8,367
			2,468,500	2,929,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

25.1 Balance with saving account earned profit / markup at weighted average rate of 8.20% per annum (2021: 6.30% per annum).

25.2 Balances with banks include Rs. 118,472 thousand (2021: Rs. 112,342 thousand) in respect of security deposits (Note 11.2).

		2022	2021
26	NON - CURRENT ASSETS HELD FOR SALE	Note	(Rupees in '000')
	Balance at beginning of the year		493,679
	Addition during the year	26.1	-
	Disposed off during the year	26.2	(172,726)
	Balance at end of the year		320,953
			493,679

26.1 This represents the carrying value of land measuring 25 kanals located at Shifa Cooperative Housing Society at Islamabad Expressway.

26.2 During the year the SIHL has sold lands measuring 48.5 kanals (2021: 72.5 kanals) located at Islamabad Motorway and six plots (2021: two plots) located at Shifa Cooperative Housing Society, Islamabad Expressway.

26.3 Freehold lands held for sale at year end are 52.6 Kanal (2021: 101.1 Kanal) and 17 kanal (2021: 23 kanal) of Motorway, Mouza Noon, Islamabad and Shifa Cooperative Housing society, Islamabad respectively.

27	NET REVENUE	Note	2022	2021
				(Rupees in '000')
	Inpatients		9,836,737	8,586,342
	Outpatients		5,509,053	4,952,787
	Other services	27.1	1,012,517	833,002
			16,358,307	14,372,131
	Less: discount		128,070	128,866
	Less: sales tax		38,069	19,592
	Net revenue		16,192,168	14,223,673

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

27.2 The net revenue is excluding physician share of Rs. 1,353,680 thousand (2021: Rs. 1,302,168 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

28	OTHER INCOME	Note	2022	2021
			(Rupees in '000')	
	Income from financial assets:			
	Profit on bank deposits		16,579	8,493
	Dividend income from mutual fund - investments at fair value through profit or loss		67,940	36,243
	Un-realized gain on investments at fair value through profit or loss		1,446	1,353
	Interest income on treasury bills		18,993	25,137
			104,958	71,226
	Income from other than financial assets:			
	Gain on disposal of tangible assets	28.1	69,269	41,975
	Exchange gain on foreign currency translation		416,637	-
	Liabilities written back		-	26,568
	Sale of scrap - net of sales tax		18,772	9,658
	Miscellaneous		30,692	22,497
			535,370	100,698
			640,328	171,924

28.1 Gain on disposal of tangible assets is excluding of commission charges on sale of land of Rs. 7.6 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

29	OPERATING COSTS	Note	2022	2021
			(Rupees in '000)	(Rupees in '000)
	Salaries, wages and benefits		5,787,049	4,765,285
	Utilities		835,180	542,604
	Supplies consumed		1,727,652	1,623,965
	Medicines consumed		4,184,847	3,815,914
	Communication		49,507	41,402
	Traveling and conveyance		21,853	11,821
	Printing and stationery		133,611	104,626
	Repairs and maintenance		640,134	588,242
	Auditors' remuneration	29.2	7,712	6,236
	Legal and professional		18,077	28,717
	Rent		14,782	13,672
	Rates and taxes		15,177	18,585
	Advertising and sales promotion		66,512	48,347
	Fee, subscription and membership		82,213	59,289
	Vehicle and equipment rentals	29.3	12,447	8,874
	Cleaning and washing		137,585	120,870
	Project cost		217	12,033
	Insurance		18,998	15,724
	Property, plant and equipment written off	29.4	2,234	977
	Provision for slow moving stores		2,687	6,161
	Exchange loss of foreign currency exchange		-	120,044
	Depreciation / amortization on tangible assets	14	877,782	840,804
	Amortization on intangible assets	15	21,296	26,267
	Donation	29.5	25,000	-
	Miscellaneous		65,266	43,510
			14,747,818	12,863,969

29.1 This includes charge of employee gratuity of Rs. 159,116 thousand (2021: Rs. 143,917 thousand), defined contribution plan (pension) of Rs. 53,655 thousand (2021: Nil), expense for compensated absences of Rs. 67,049 thousand (2021: Rs. 46,378 thousand) and bonus to employees of Rs. 125,814 thousand (2021: Rs. 190,931 thousand).

29.2	Auditors' remuneration	2022	2021
		(Rupees in '000)	(Rupees in '000)
	Annual audit fee	2,805	2,943
	Half yearly review fee	1,629	1,572
	Statutory certifications	3,278	1,721
		7,712	6,236

29.2.1 The above fee is inclusive of sales tax amounting to Rs.1,061 thousand (2021: 767 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

29.3 This includes ujrah payments under an Ijarah. As required under Islamic Financial Accounting Standard (IFAS 2) "Ijarah" (notified through SRO 431 (I)/2007 by Securities & Exchange Commission of Pakistan) ujrah payments under an Ijarah are recognized as an expense in the consolidated statement of profit or loss on straight line basis over the Ijarah term.

The amounts of future ujrah payments and the periods in which these will be due are as follows:

	2022	2021
	(Rupees in '000')	
Within one year	-	12,447
After one year but not more than five years	-	-
Total ujrah payments	-	12,447

29.4 This represents assets written off that were determined to be irreparable after carrying out detailed physical verification exercised by the management.

29.5 **Donation**

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

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

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

	2022	2021
	(Rupees in '000')	
30 FINANCE COSTS		
Markup on long term loans - secured	252,714	255,567
Interest on lease liabilities	52,635	43,263
Credit card payment collection and bank charges	41,896	31,881
	347,245	330,711

	2022	2021
	(Rupees in '000')	
31 PROVISION FOR TAXATION		
Current		
- for the period	480,702	394,595
- prior year	(4,340)	-
	476,362	394,595
Deferred	16,185	(94,077)
	492,547	300,518

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

				2022	2021
			Note	(Rupees in '000)	
32	EARNINGS PER SHARE - BASIC AND DILUTED				
	Profit for the year attributable to equity holders of SIHL			1,141,310	724,091
				(Numbers in '000)	
	Weighted average number of ordinary shares in issue during the year	32.1		63,214	63,214
				(Restated)	
	Earnings per share - basic and diluted			18.05	11.45
				(Rupees)	
32.1	Weighted average number of ordinary shares has been calculated on the basis of time factor of shares outstanding during the year.				
32.2	During the year, the SIHL has issued 2% bonus shares (i.e. one for every fifty ordinary shares held) which has resulted in restatement of basic and diluted earnings per share.				
33	CAPACITY UTILIZATION				
	The actual inpatient available bed days, occupied bed days and room occupancy ratio of Shifa International Hospitals Limited (SIHL) are given below:				
		2022	2021	2022	2021
		Available bed days	Occupied bed days	Occupancy Ratio	
	SIHL H-8/4 Islamabad	184,269	184,023	108,277	102,702
	SIHL Faisalabad	22,867	28,105	6,046	6,498
33.1	Reported utilisation is a result of pattern of patient turnover under different specialties and miscellaneous other factors.			58.76%	55.81%
				26.44%	23.12%
34	UNAVAILLED CREDIT FACILITIES			(Rupees in '000)	
	Unavailed credit facilities at year end other than those disclosed in note 8 of financial statements are as under:				
	Letter of credit			60,348	100,000
	Ijarah financing			51,709	51,709
	Running Musharkah			500,000	500,000
	Letter of guarantee			23,666	23,666
				635,723	675,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

35 NUMBER OF EMPLOYEES

The Group had 5,223 employees (2021: 5,097) at the year end and average number of employees during the year were 5,234 (2021: 4,962).

36 RELATED PARTIES TRANSACTIONS

The related parties comprise of associate, directors, 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.

The amounts due from and due to these undertakings are shown under trade debts, loans and advances and trade and other payables. Other transactions with the related parties are given below:

		2022	2021
	Note	(Rupees in '000)	
Shifa Foundation:			
Opening balance - receivable		17,139	17,875
Revenue from services earned by the SIHL	36.1	16,964	12,607
Revenue from rent earned by the SIHL		819	600
Expenses paid and reimbursed to the SIHL		48	23
Other services provided to the SIHL		-	(3,424)
Revenue from COVID -19 clinical trial services		-	16,498
Receipts / adjustments		(25,234)	(27,040)
Closing balance - receivable		9,736	17,139
Tameer-e-Millat Foundation:			
Opening balance - payable		(13,073)	(11,978)
Supplies provided to the SIHL	36.1	(88,543)	(79,335)
Other services provided to the SIHL	36.3	(35,278)	(22,320)
Rental services received / earned by the SIHL		(5,842)	(4,631)
Payments / adjustments		131,076	105,191
Closing balance - payable		(11,660)	(13,073)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Note	2022 (Rupees in '000)	2021
Shifa Tameer-e-Millat University:			
Opening balance - payable		(5,041)	(27,468)
Revenue from services earned by the SIHL	36.1	18,543	11,294
Revenue from rent earned by the SIHL		3,197	2,907
Other services provided to the SIHL	36.3	(61,817)	(53,780)
Expenses paid by and reimbursed to the SIHL		2,905	2,968
Donation paid by the SIHL		(25,000)	-
Payments / adjustments		60,755	59,038
Closing balance - payable		(6,458)	(5,041)
SIHT (Private) Limited			
Opening balance - receivable		24,335	25,783
Revenue from services earned by the SIHL	36.1	325,112	351,638
Expenses paid by and reimbursed to the SIHL		5,905	4,850
Other services provided to the SIHL	36.3	(23,206)	(22,414)
Receipts / adjustments		(296,730)	(335,522)
Closing balance - receivable		35,416	24,335
Shifa Cooperative Housing Society:			
Opening balance		-	-
Plot maintenance charges paid by the SIHL		5,573	1,801
Payments		(5,573)	(1,801)
Closing balance		-	-
Shifa Care (Private) Limited			
Opening balance		-	-
Investment made by the SIHL in Nil (2021: 1,500,000) ordinary shares		-	(15,000)
Other services provided by the SIHL	36.3	2,343	836
Software development services provided to the SIHL		(39,375)	-
Expenses paid by and reimbursed to the SIHL		-	50
Payments - net		37,032	14,114
Closing balance		-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

		2022	2021
	Note	(Rupees in '000')	
SIHL Employees' Gratuity Fund			
Opening balance - payable		(251,594)	(196,221)
Provision / OCI charge		(183,077)	(189,841)
Payments made by the SIHL during the year	36.4	241,218	134,468
Closing balance - payable		(193,453)	(251,594)
Remuneration including benefits and perquisites of key management personnel	36.5	390,331	366,679

36.1 Revenue earned from related parties includes medical, surgical, clinical and lab services rendered to referred inpatients and outpatients, sale of medicines and provision of cafeteria services. These transactions are executed on arm's length basis between the parties.

36.2 The supplies mainly includes uniforms and dairy products etc. These transactions are executed on arm's length basis between the parties.

36.3 This represents services of nursing education/training, employees' children education, media and consultancy services. These transactions are executed on arm's length basis between the parties.

36.4 Transactions with the Fund are carried out based on the terms of employment of employees and according to actuarial advice.

36.5 This includes employee retirement benefits (gratuity) amounting to Rs. 3,866 thousand (2021: Rs. 20,342 thousand).

36.6 Basis of relationship with related parties with whom the Group had entered into transactions or had agreements and/or arrangements in place during the financial year are as follow:

Sr #	Name of related party (RP)	Basis of relationship	Percentage of	
			SIHL's shareholding in RP	RP's shareholding in the SIHL
1	Shifa Foundation	Common Directorship	N/A*	0.92%
2	Tameer-e-Millat Foundation	Common Directorship	N/A	12.57%
3	SIHL Employees' Gratuity Fund	Benefit plan	N/A	0.12%
4	Shifa Tameer-e-Millat University	Common Directorship	N/A	0.02%
5	Shifa CARE (Private) Limited	Associate and Common Directorship	50%	Nil
6	SIHT (Private) Limited	Common Directorship	N/A	Nil
7	Shifa Cooperative Housing Society	Common Directorship	N/A	Nil
8	International Finance Corporation (IFC)	Associate	Nil	12%

*N/A stands for not applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)							
Managerial remuneration	66,036	51,430	38,272	34,796	10,990	10,066	295,878	244,054
Annual bonus	1,768	1,650	1,192	-	237	-	8,336	7,394
Gratuity	-	-	-	-	-	-	-	20,342
Medical insurance	92	76	88	76	358	293	2,235	1,805
Leave encashment	-	-	-	4,335	-	-	7,422	6,338
	67,896	53,156	39,552	39,207	11,585	10,359	313,871	279,933
Number of persons	2	2	2	2	8	8	44	38

37.1 In addition to above, the chief executive is provided with a SIHL maintained car, while one other director and twenty eight executives availed car facility.

37.2 Managerial remuneration includes Rs. 4,305 thousand (2021: Rs. 3,450 thousand) paid to directors in respect of meeting attending fee.

37.3 Travelling expenses of Rs. 3,315 thousand (2021: Rs. 1,673 thousand) for official purposes are reimbursed by the Group to non-executive directors.

38 CASH AND CASH EQUIVALENTS	Note	2021	
		(Rupees in '000)	2022
Investment - at amortized cost	23	71,824	29,348
Cash and bank balances	25	2,468,500	2,929,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities					Equity		
	Long term financing	Government Grant	Lease liabilities	Share capital	Share premium (Rupees in '000)	Non-controlling Interest	Unappropriated profits	Total
2022								
Balance at beginning of the year	3,696,503	69,627	384,043	619,749	2,751,283	1,119,806	3,832,409	12,473,420
Changes from financing cash flows								
Proceeds	212,009	-	-	-	-	-	-	212,009
Repayments	(1,417,563)	-	(172,702)	-	-	-	-	(1,417,563)
Repayments of lease liabilities	-	-	-	-	-	-	-	(172,702)
NCI recognized during the year	-	-	-	-	-	-	-	520,240
Dividend paid	-	-	-	-	-	-	-	(89,202)
Grant received	-	47,060	(172,702)	-	-	-	-	47,060
Total changes from financing cash flows	(1,205,554)	47,060	-	-	-	520,240	(89,202)	(900,158)
Other changes	49,176	-	397,521	-	-	-	-	446,697
Liability related	-	-	-	12,395	(12,395)	30,713	1,125,959	1,116,672
Equity related	-	-	-	-	-	-	35,122	35,122
Total comprehensive changes	-	-	-	-	-	-	(5,620)	(5,620)
Other changes	-	-	-	-	-	-	-	-
Changes in unclaimed dividend	-	-	-	-	-	-	-	-
NCI recognized during the year	-	(49,176)	-	-	-	-	-	(49,176)
Amortization of government grant	-	(49,176)	-	12,395	(12,395)	30,713	1,155,461	1,136,998
Total of liability and equity related changes	-	2,540,125	67,511	608,881	632,144	2,738,888	1,670,759	4,898,668
Balance at end of the year								13,156,957
2021								
Balance at beginning of the year	3,378,465	53,193	398,798	619,749	2,751,283	948,384	3,103,034	11,252,906
Changes from financing cash flows								
Proceeds	633,450	-	-	-	-	-	-	633,450
Repayments	(381,608)	-	(169,895)	-	-	-	-	(381,608)
Repayments of lease liability	-	-	-	-	-	-	-	(169,895)
NCI recognized during the year	-	-	-	-	-	78,000	-	78,000
Dividend paid	-	82,630	(169,895)	-	-	-	(1,507)	(1,507)
Grant received	-	251,842	82,630	-	-	78,000	(1,507)	82,630
Total changes from financing cash flows		66,196	-	155,140	-	-	-	241,070
Other changes								
Liability related								
Equity related								
Total comprehensive changes								
Other changes								
Changes in unclaimed dividend								
Acquisition of shareholding by NCI								
Amortization of government grant								
Total of liability and equity related changes		3,696,503	69,627	384,043	619,749	2,751,283	1,119,806	3,832,409
Balance at end of the year								12,473,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

40 FINANCIAL RISK MANAGEMENT

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

Credit risk

Liquidity risk

Market risk

Risk management framework

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

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

40.1 Credit risk

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

40.1.1 Exposure to credit risk

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

	2022	2021
	(Rupees in '000)	
Deposits	89,093	74,007
Trade debts	964,769	879,705
Other receivables	212,356	26,897
Markup accrued	2,129	677
Other financial assets	909,625	1,102,202
Bank balances	2,459,751	2,921,105
	4,637,723	5,004,593

The Group is also exposed to credit risk from its operating and short term investing activities. The Group's credit risk exposures are categorized under the following headings:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

40.1.2 Counterparties

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

Trade debts

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

Bank balances and investments

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

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

	2022	2021
	(Rupees in '000')	
Government companies	606,483	632,053
Private companies	277,452	286,035
Individuals	242,355	140,359
Related party	9,736	17,139
	1,136,026	1,075,586

40.1.3 Impairment losses

The aging of trade debts at the reporting date was:

	2022		2021	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	(Rupees in '000')			
Not past due	428,765	2,029	230,471	-
1 - 2 months	298,404	14,109	147,364	-
3 - 4 months	94,405	6,543	210,250	21,481
5 - 7 months	88,393	12,486	155,994	27,545
8 - 12 months	68,831	34,726	119,806	44,095
Above 12 months	157,228	101,364	211,701	102,760
	1,136,026	171,257	1,075,586	195,881

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

	Note	2022 (Rupees in '000)	2021
Balance at beginning of the year		195,881	130,013
Expected credit losses		72,433	106,189
Less: bad debts written off	40.1.5	97,057	40,321
Balance at end of the year	20	171,257	195,881

40.1.4 The Group believes that no impairment allowance is necessary in respect of markup accrued, deposits, bank balances and investments as the recovery of such amounts is possible except in case of certain other receivables for which impairment loss has been recorded (Note 22.2).

40.1.5 This includes an amount of Rs. 84,620 thousand (2021: nil) due from SPAH is written off for the reason reflected in note 22.2.2.

The ageing of Shifa Foundation (SF), SIHT (Private) Limited and Shifa Pan African Hospitals Limited (SPAH) at the reporting date was:

	Note	2022		2021	
		Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
SF					
1 - 2 months	20	9,736	-	17,139	-
SIHT					
1 - 2 months	20	35,416	-	24,335	-
SPAH					
5-7 months		-	-	4,513	-
Above 12 months	22.2	-	-	47,389	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

40.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose the Group has credit facilities as mentioned in notes 8 and 34 to the financial statements. Further liquidity position of the Group is monitored by the board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
(Rupees in '000)						
2022						
Long term financing- secured	2,607,637	770,466	564,070	950,306	322,795	-
Trade and other payables	3,207,198	3,207,198	-	-	-	-
Unclaimed dividend	40,778	40,778	-	-	-	-
Mark up accrued	35,658	35,658	-	-	-	-
	5,891,271	4,054,100	564,070	950,306	322,795	-
2021						
Long term financing-secured	3,766,130	665,362	740,360	1,284,106	1,076,302	-
Trade and other payables	2,738,685	2,738,685	-	-	-	-
Unclaimed dividend	35,158	35,158	-	-	-	-
Mark up accrued	16,913	16,913	-	-	-	-
	6,556,886	3,456,118	740,360	1,284,106	1,076,302	-

Maturity analysis of lease liabilities is given in note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

40.3 Market risk

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

40.3.1 Foreign currency risk

Exposure to foreign currency risk

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

	2022			2021		
	Euro	USD	AED	Euro	USD	AED
Trade debts	-	-	-	-	538.54	-
Creditors	-	-	(12.90)	-	-	-
Bank balances	-	6,736	364.71	-	10,673.07	351.09
Letter of credit	(12.50)	(450.48)	-	(62.00)	(285.65)	-
	(12.50)	6,285.18	351.81	(62.00)	10,925.96	351.09
2022						
(Rupees in '000)						
Trade debts	-	-	-	-	84,620	-
Creditors	-	-	(718)	-	-	-
Bank balances	-	1,375,199	20,286	-	1,677,047	15,032
Letter of credit	(2,675)	(92,164)	-	(11,622)	(44,988)	-
	(2,675)	1,283,035	19,568	(11,622)	1,716,679	15,032

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2022	2021	2022	2021
(Rupees)				
USD 1 - Buying	177.80	160.10	204.17	157.13
USD 1 - Selling	178.21	160.47	204.59	157.49
AED 1 - Buying	48.44	43.59	55.62	42.82
AED 1 - Selling	48.55	43.69	55.73	42.91
Euro 1 - Buying	199.96	190.92	213.59	187.04
Euro 1 - Selling	200.41	191.34	214.03	187.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Foreign currency sensitivity analysis

A 10 percent variation of the PKR against the USD, AED and EURO at June 30 would have effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular markup rates, remain constant.

	Change in Foreign Exchange Rates	Effect on Profit	Effect on Equity
	%	(Rupees in '000')	
2022			
Foreign currencies	+10%	129,993	129,993
Foreign currencies	-10%	(129,993)	(129,993)
2021			
Foreign currencies	+10%	172,009	172,009
Foreign currencies	-10%	(172,009)	(172,009)

40.3.2 Markup rate risk

The markup rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term financing, short term investments and deposits with banks. At the reporting date the markup rate profile of the Group's markup-bearing financial instruments are:

	Note	2022 (Rupees in '000)	2021 (Rupees in '000)
Financial assets			
Investment - at amortized cost	23.1	71,824	343,788
Bank balances	25	620,882	821,083
		692,706	1,164,871
Financial liabilities			
Long term financing - secured	8	(2,607,637)	(3,766,130)
		(1,914,931)	(2,601,259)

The effective markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

Markup rate sensitivity analysis

If markup rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended June 30, 2022 would decrease / increase by Rs. 8,092 thousand (2021: decrease / increase by Rs. 10,409 thousand). This is mainly attributable to the Group's exposure to markup rates on its variable rate borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

Price risk

The Group's price risk arises from investments in units as disclosed in - note 23.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.

Price risk sensitivity analysis

A change of Rs 1 in the value of investments at fair value through profit or loss would have increased or decreased profit or loss by Rs. 11,112 thousand (2021: Rs.10,694 thousand).

40.4 Financial instrument by category

	Amortized cost	Fair value through profit or loss	Total			
2022	(Rupees in '000)					
Financial assets						
Maturity upto one year						
Trade debts	964,769	-	964,769			
Other receivables	212,356	-	212,356			
Markup accrued	2,129	-	2,129			
Other financial assets	71,824	837,801	909,625			
Cash and bank balances	2,468,500	-	2,468,500			
Maturing after one year						
Long term deposits	89,093	-	89,093			
	3,808,671	837,801	4,646,472			
Financial liabilities						
Maturing upto one year						
Trade and other payables	3,207,198	-	3,207,198			
Unclaimed dividend	40,778	-	40,778			
Markup accrued	35,658	-	35,658			
Current portion of long term financing - secured	1,334,536	-	1,334,536			
Current portion of lease liabilities	173,173	-	173,173			
Maturing after one year						
Long term financing - secured	1,273,101	-	1,273,101			
Lease liabilities	435,708	-	435,708			
	6,500,152	-	6,500,152			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Amortized cost	Fair value through profit or loss	Total			
2021	(Rupees in '000)					
Financial assets						
Maturity upto one year						
Trade debts	879,705	-	879,705			
Other receivables	26,897	-	26,897			
Markup accrued	677	-	677			
Other financial assets	343,788	758,414	1,102,202			
Cash and bank balances	2,929,472	-	2,929,472			
Maturing after one year						
Long term deposits	74,007	-	74,007			
	4,254,546	758,414	5,012,960			
Financial liabilities						
Maturing upto one year						
Trade and other payables	2,738,685	-	2,738,685			
Unclaimed dividend	35,158	-	35,158			
Markup accrued	16,913	-	16,913			
Current portion of long term financing						
- secured	1,405,722	-	1,405,722			
Current portion of lease liabilities	118,456	-	118,456			
Maturing after one year						
Long term financing - secured	2,360,408	-	2,360,408			
Lease liabilities	265,587	-	265,587			
	6,940,929	-	6,940,929			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

40.5 Fair value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

	2022		2021	
	Carrying value	Fair value	Carrying value	Fair value
	(Rupees in '000')			
Assets carried at amortized cost				
Long term deposits	89,093	89,093	74,007	74,007
Trade debts	964,769	964,769	879,705	879,705
Other receivables	212,356	212,356	26,897	26,897
Markup accrued	2,129	2,129	677	677
Other financial assets	71,824	71,824	343,788	343,788
Cash and bank balances	2,468,500	2,468,500	2,929,472	2,929,472
	3,808,671	3,808,671	4,254,546	4,254,546
Assets carried at fair value				
Other financial assets	837,801	837,801	758,414	758,414
Liabilities carried at amortized cost				
Long term financing - secured	1,273,101	1,273,101	2,360,408	2,360,408
Lease liabilities	435,708	435,708	265,587	265,587
Trade and other payables	3,207,198	3,207,198	2,738,685	2,738,685
Unclaimed dividend	40,778	40,778	35,158	35,158
Markup accrued	35,658	35,658	16,913	16,913
Current portion of long term financing - secured	1,334,536	1,334,536	1,405,722	1,405,722
Current portion of lease liabilities	173,173	173,173	118,456	118,456
	6,500,152	6,500,152	6,940,929	6,940,929

The basis for determining fair values is as follows:

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2022

41 FAIR VALUE HIERARCHY

Other financial assets

Fair value of investment in mutual funds (Note 23.2) has been determined using quoted repurchase price at reporting date and categorized under level 1 of fair value hierarchy.

Fair value of land

Lands owned by the Group are valued by independent valuers to determine the fair values of lands as at reporting date. The fair value of lands subject to revaluation model fall under level 2 of fair value hierarchy.

There were no transfer amongst the levels during the year. Further, there were no changes in the valuation techniques during the year.

42 CAPITAL MANAGEMENT

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

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

43 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Description	Explanation	2022 (Rupees in '000)	2021
Bank balances	Placed under interest Placed under sharia permissible arrangement	211,700 409,182 620,882	313,670 507,413 821,083
Return on bank deposit for the year	Placed under interest Placed under sharia permissible arrangement	6,121 10,230 16,351	3,997 4,337 8,334
Interest and dividend income on investment for the year	Placed under interest Placed under sharia permissible arrangement	19,221 69,386 88,607	25,296 36,243 61,539
Segment revenue	Disclosed in note 27		
Exchange gain earned		416,637	-
Loans obtained as per Islamic mode		2,172,438	2,941,675
Mark up paid on Islamic mode of financing		275,864	305,325
Interest paid on any conventional loan		5,392	6,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Relationship with sharia compliant banks

The SIHL has obtained long term loans and has maintained bank balances and term deposits with sharia compliant banks as given below:

- Al-Baraka Bank (Pakistan) Limited
- Meezan Bank Limited
- Dubai Islamic Bank
- Habib Bank Limited
- Faysal Bank Limited
- Bank Alfalah Limited
- The Bank Of Punjab
- Askari Bank Limited

44 OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of single reportable segment. All revenue of the Group is earned in Pakistan. All non-current assets of the Group at June 30, 2022 are located in Pakistan. There is no customer with more than 10% of total revenue of the Group for the year.

45 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were approved and authorized for issue by the board of directors of the SIHL on September 28, 2022.

46 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The board of directors of SIHL in its meeting held on September 28, 2022 has proposed a final cash dividend for the year ended June 30, 2022 @ Rs. 1.5 per share, amounting to Rs. 94,822 thousand for approval of the members in the Annual General Meeting to be held on October 28, 2022. This dividend is in addition to interim dividend of Rs. 1.5 per share paid during the current year. The consolidated financial statements for the year ended June 30, 2022 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

47 GENERAL

- Figures have been rounded off to the nearest one thousand Pak Rupees unless otherwise stated.
- Immaterial reclassification has been made wherever necessary.
- Management of the Group will continue to monitor the situation with all possible measures to overcome the effects of COVID-19 pandemic. Moreover, based on the assessment of the Group's management there is no adverse effect of COVID - 19 on these consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

As at June 30, 2022

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
210	1	100	5,573
217	101	500	47,754
1,129	501	1,000	595,335
422	1,001	5,000	692,524
58	5,001	10,000	394,239
72	10,001	15,000	801,707
26	15,001	20,000	436,724
29	20,001	25,000	621,333
17	25,001	30,000	452,041
10	30,001	35,000	323,856
4	35,001	40,000	144,979
5	40,001	45,000	205,194
7	45,001	50,000	333,133
18	50,001	55,000	937,488
2	55,001	60,000	114,580
4	60,001	65,000	244,373
2	65,001	70,000	137,028
1	70,001	75,000	72,187
2	75,001	80,000	157,684
6	80,001	85,000	492,784
3	85,001	90,000	262,908
5	90,001	95,000	459,371
4	95,001	100,000	389,799
10	100,001	105,000	1,020,011
2	105,001	110,000	215,856
4	110,001	115,000	440,500
2	120,001	125,000	248,548
4	125,001	130,000	512,099
2	130,001	135,000	268,810
2	135,001	140,000	276,641
2	140,001	145,000	281,606
3	150,001	155,000	458,064
2	155,001	160,000	313,520
3	160,001	165,000	489,232
2	170,001	175,000	344,464
1	175,001	180,000	180,000
1	180,001	185,000	182,400

PATTERN OF SHAREHOLDING

As at June 30, 2022

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
1	195,001	200,000	198,000
1	200,001	205,000	204,000
1	205,001	210,000	209,023
1	210,001	215,000	211,777
1	215,001	220,000	217,260
2	230,001	235,000	454,650
1	235,001	240,000	237,000
1	245,001	250,000	248,716
1	250,001	255,000	251,604
2	255,001	260,000	516,496
1	280,001	285,000	283,925
1	290,001	295,000	291,144
2	305,001	310,000	612,612
2	310,001	315,000	622,977
1	315,001	320,000	316,060
1	330,001	335,000	334,098
2	360,001	365,000	725,757
1	380,001	385,000	383,743
1	405,001	410,000	408,000
1	410,001	415,000	410,907
1	420,001	425,000	423,610
1	425,001	430,000	425,340
1	450,001	455,000	451,211
2	465,001	470,000	934,226
1	480,001	485,000	483,745
1	535,001	540,000	540,000
1	540,001	545,000	543,502
1	595,001	600,000	599,993
1	650,001	655,000	653,036
1	940,001	945,000	941,080
1	1,410,001	1,415,000	1,412,960
1	1,480,001	1,485,000	1,480,781
1	1,490,001	1,495,000	1,494,649
1	1,800,001	1,805,000	1,803,673
1	1,810,001	1,815,000	1,810,569
1	1,920,001	1,925,000	1,922,909
1	2,355,001	2,360,000	2,355,253

PATTERN OF SHAREHOLDING

As at June 30, 2022

Number of shareholders	Size of holding of shares		Total shares held
	From	To	
1	5,210,001	5,215,000	5,212,633
1	5,385,001	5,390,000	5,385,160
1	6,060,001	6,065,000	6,062,234
1	7,585,001	7,590,000	7,585,725
2,340			63,214,383

Categories of shareholders	Number of shareholders	Number of shares held	Percentage
INDIVIDUALS	2271	35,591,931	56.30
FINANCIAL INSTITUTIONS	2	7,596,333	12.02
JOINT STOCK COMPANIES	14	172,726	0.27
MUTUAL FUND	13	3,019,139	4.78
CHARITABLE TRUSTS	5	310,980	0.49
OTHERS	30	9,711,898	15.36
INSURANCE COMPANIES	5	6,811,376	10.78
Total	2340	63,214,383	100.00

PATTERN OF SHAREHOLDING

Additional Information

As at June 30, 2022

Categories of shareholders	Number of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children *	11	7,848,362	12.415
Associated Companies, Undertakings and related parties **	5	16,200,148	25.627
Banks, Development Financial Institutions, Non Banking Financial Institutions	2	7,596,333	12.017
Shareholders holding 10 % or more voting interest ***	2	15,530,138	24.567
Joint Stock Companies	14	172,726	0.273
Executives	3	16,318	0.026

* No. of Shares held by Directors, CEO and their spouses

Dr. Manzoor H. Qazi	1,494,649	2.364
Dr. Habib Ur Rahman	465,720	0.737
Mrs. Shahida Rahman W/o Dr. Habib Ur Rahman	13,379	0.021
Mr. Muhammad Zahid	885,134	1.400
Mr. Shafquat Ali Chaudhary	1,803,673	2.853
Mr. Qasim Farooq Ahmad	2,094,494	3.313
Dr. Samea Kauser Ahmad	1,051,205	1.663
Syed Ilyas Ahmed	11,562	0.018
Prof. Dr. Shoab Ahmed Khan	11,562	0.018
Dr. Mohammad Naseem Ansari	16,983	0.027
Mr. Javed K. Siddiqui	1	0.000

** Shares held by related parties

Tameer-e-Millat Foundation	7,944,413	12.57
Shifa Foundation	581,349	0.92
SIHL Employees' Gratuity Fund	78,461	0.12
Shifa Tameer-e-Millat University	10,200	0.02
International Finance Corporation	7,585,725	12.00

*** Shareholders with 10% or more voting interest

Tameer-e-Millat Foundation	7,944,413	12.57
International Finance Corporation	7,585,725	12.00

FORM OF PROXY

36th Annual General Meeting

I/We _____
of _____
being a member of Shifa International Hospitals Ltd. Folio No./CDC A/c No. _____
No. of Shares _____ hereby
appoint _____ of _____
Folio No./CDC A/c No. _____
or failing him/her _____
of _____ Folio No./CDC A/c No. _____
who is a member of the Company as my/our proxy in my/our absence to attend and vote for me/us and
on my/our behalf at the 36th Annual General Meeting of the Company to be held at 1030 hours on 28
October, 2022, and at any adjournment thereof.

As witness my hand this _____ day of _____ 2022.

Signed by the said _____

Revenue
Stamp

(Signature must agree with
the **SPECIMEN** signature
registered with the Company)

Witnesses:

1 Signature _____

Name _____

Address _____

CNIC/Passport No. _____

2 Signature _____

Name _____

Address _____

CNIC/Passport No. _____

Important:

1. This form of Proxy, duly completed, signed and stamped must be deposited at the Company's Registered Office, Sector H-8/4 Islamabad, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. CDC account holder, sub account holder/shareholder may appoint proxy and the proxy must produce attested copy of his/her CNIC or original passport at the time of attending the meeting.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Shifa International Hospitals Limited
Sector H-8/4, Islamabad

FORM OF PROXY (URDU)

36th Annual General Meeting

..... میں / ہم ساکن شیئر ہولڈر شفعتی نیشنل ہسپتال لینینڈ فلو نمبر اسی ڈی اسی اکاؤنٹ نمبر ساکن شیئر زکا شار بذریعہ مہاتقر رکھتا ہوں ساکن فلو نمبر اسی ڈی اسی اکاؤنٹ نمبر یا ساکن اس کی عدم دستیابی پر فلو نمبر اسی ڈی اسی اکاؤنٹ نمبر جو کہ میری اہماری غیر موجودگی میں میرے اہمارے پر اسی (نماہنے) کے طور پر کمپنی کے 36 وال سالانہ اجلاس عام میں جو 28 اکتوبر 2022 بروز بعد ہدن 10:30 بجے یا اس کے اتوں کی صورت میں منعقد ہو گا میں میری اہماری جگہ شرکت کرے گا اور ووٹ استعمال کرے گا۔

ریوندو
مہ

(دستخط کمپنی کے باس موجود

نمونہ کے دستخط کے مطابق ہونا چاہئے)

2022 میں بطور گواہ اس دون دستخط مذکورہ بالا

گواہان:

1- دستخط ...

..... نام

.....

قومی شناختی کارڈ اسپیورٹ نمبر

خصوصی مدایات :

یہ پر اکسی فارم با قاعدہ طور پر کمل کر کے، دستخط، گواہاں اور مہر کے بعد جلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ وفتر واقع سیکیٹر 8/4-H، اسلام آباد پہنچ جانا چاہیے۔

اگر ایک ممبر ایک سے زائد پر اکسی یا پر اکسی کے فارم کمپنی کے پاس جمع کرواتا ہے تو ایسے تمام پر اکسی کے فارم کو غیر قانونی تصور کیا جائے گا۔

سی ڈی سی اکاؤنٹ ہولڈر، سب اکاؤنٹ ہولڈر اشیئر ہولڈر زبانی پر اکسی مقرر کرنے کا مجاز ہے۔ اس پر اکسی کو جلاس میں شرکت کے وقت اپنے کمپیوٹر اسز ڈی تو می شاختی کا روڈ کی کاپی پاصلی یا سپورٹ دکھانا لازمی ہوگا۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
Shifa International Hospitals Limited
Sector H-8/4, Islamabad

NOTES

NOTES



**Shifa
International
Hospitals Ltd.**

Shifa International Hospitals Limited

Pitras Bukhari Road,
Sector H-8/4, Islamabad - Pakistan
Email: info@shifa.com.pk
Website: www.shifa.com.pk