# NOTICE TO MEMBERS

Further to the notice of the Extraordinary General Meeting ("EOGM") of Shifa International Hospitals Limited (the "Company") circulated to the members in compliance with the Order of the Hon'ble Islamabad High Court and the applicable provisions of the Companies Act, 2017 on March 10, 2026, members are hereby informed that in compliance with the requirements of Section 282 (2) (e) of the Companies Act, 2017, the Supplementary Audited Financial Statements of the Company for the period ended December 31, 2025 are being circulated herewith for the information of the members.

The aforesaid Supplementary Audited Financial Statements are also available for access and download on the Company's website at www.shifa.com.pk

It may further be noted that the Supplementary Audited Statements do in fact reflect the exact same position as already reviewed and approved in the EOGM by the members.

By Order of the Board

**MUHAMMAD NAEEM**
**Company Secretary**

**ISLAMABAD**

**April 27, 2026**

# SPECIAL PURPOSE
# FINANCIAL STATEMENTS
## UNCONSOLIDATED

## FOR SIX MONTH PERIOD ENDED
## DECEMBER 31, 2025

SHIFA INTERNATIONAL HOSPITAL LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR SIX MONTH PERIOD ENDED
DECEMBER 31, 2025

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## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SHIFA INTERNATIONAL HOSPITALS LIMITED

### Report on the Audit of the Special Purpose Financial Statements

### Opinion

We have audited the accompanying special purpose financial statements of **SHIFA INTERNATIONAL HOSPITALS LIMITED** (the Company) which comprise the unconsolidated statement of financial position as at December 31, 2025, and unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flow for the six months period then ended, and material accounting policy information and other explanatory information.

In our opinion, the special purpose financial statements of **SHIFA INTERNATIONAL HOSPITALS LIMITED** for the six months period ended December 31, 2025 are prepared, in all material respects, in accordance with the basis of preparation provided in Note 2 to the special purpose financial statements.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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.

### Emphasis of Matter

We draw attention to note 2 to the special purpose financial statements, which describes the basis of preparation. These special purpose financial statements are prepared to assist the Company to meet the requirements of the section 282(2)(e) of the Companies Act, 2017 in relation with the scheme of arrangement for the amalgamation of the Shifa Medical Center Islamabad (Private) Limited with and into Shifa international Hospital Limited. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

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Following are the key audit matters:

| Sr. No. | Key audit matters | How the matter was addressed in our Audit |
|---|---|---|
| 1. | **Revenue Recognition**<br>(Refer note 27 to the financial statements)<br><br>Revenue consists of inpatient revenue, outpatient revenue, pharmacy, cafeteria, rent of building and other services.<br><br>During the period ended December 31, 2025, the Company recognised aggregate revenue of Rs. 15,386.641 million from rendering of services to inpatients, outpatients, external pharmacy outlets, cafeteria sales and operating leases to related parties/ other parties.<br><br>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions with a large number of customers in various geographical locations and revenue being one of the key performance indicators of the Company. Accordingly, it was considered as a key audit matter. | Our procedures in relation to revenue recognition, amongst others, included:<br>• Understood and evaluated management controls over revenue and verified their validations;<br>• Verified that revenue has been recognised in accordance with the Company's accounting policy and the applicable reporting framework;<br>• Performed verification of sample of revenue transactions with underlying documentation including invoices, agreements, charge-sheets and other relevant underlying documents;<br>• Verified receipts from customers on sample basis against the revenue booked during the year;<br>• Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;<br>• Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and<br>• Assessed the appropriateness of disclosures made in the financial statements related to revenue as required under the applicable reporting framework. |

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| Sr. No. | Key audit matters | How the matter was addressed in our audit |
|---|---|---|
| 2. | **Expected credit loss allowance on trade debts**<br>(Refer note 22 to the financial statements)<br><br>The Company has recognised balance of an expected credit loss allowance of Rs. 337.206 million on gross amount of trade debts of Rs. 2,650.416 million as at December 31, 2025.<br><br>Under IFRS 9, the Company is required to recognise expected credit loss allowance for financial assets using Expected Credit Loss (ECL) model. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information etc. We have considered the expected credit loss assessment as a key audit matter due to the significance of estimates and judgments involved. | Our audit procedures in relation to expected credit loss assessment of trade debts, amongst others, included the following:<br>• Understood the management's process for estimating the ECL in relation to trade debts. Assessed and evaluated the assumptions used by the management in determining impairment loss under the ECL model;<br>• Verified appropriateness of ageing, on sample basis, by comparing individual balances with underlying documentation;<br>• Reviewed the appropriateness of assumptions used for ECL computation from relevant external and internal sources;<br>• Circularised balance confirmation for trade debtors on sample basis and evaluated responses received;<br>• Verified subsequent clearance of balances due as of December 31, 2025 on sample basis; and<br>• Assessed the appropriateness of disclosures related to impairment assessment of trade debts as required under the applicable reporting framework. |

**Other Matter**

The Company has prepared a separate set of condense interim unconsolidated financial statements for the period from July 01, 2025 to December 31, 2025 in accordance with IFRS accounting standard on which we issued a separate auditor's review report to the shareholders of the Company dated February 24, 2026.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with reporting format provided by the parent entity to assist parent entity in meeting its requirements, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the special purpose 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 the special purpose 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 special purpose 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose 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 those charged with governance 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 those charged with governance, 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.

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

BDO Ebrahim & Co.

ISLAMABAD
DATED: 25 APRIL 2026

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2025**

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorised share capital | | | |
| 100,000,000 (June 30, 2025: 100,000,000) ordinary shares of Rs. 10 each | | 1,000,000 | 1,000,000 |
| Issued, subscribed and paid up capital | 5 | 632,144 | 632,144 |
| **Capital reserves** | | | |
| Share premium | 6 | 2,738,888 | 2,738,888 |
| Surplus on revaluation of property, plant and equipment | 7 | 1,098,009 | 1,104,985 |
| **Revenue reserves** | | | |
| Unappropriated profit | | 11,139,327 | 9,830,602 |
| | | 15,608,368 | 14,306,619 |
| **NON - CURRENT LIABILITIES** | | | |
| Long term financing - secured | 8 | 968,516 | 853,419 |
| Deferred liabilities | 9 | 273,232 | 289,268 |
| Lease liabilities | 10 | 946,175 | 506,524 |
| | | 2,187,923 | 1,649,211 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 11 | 5,481,196 | 4,865,657 |
| Unclaimed dividend | | 66,002 | 48,935 |
| Markup accrued | 12 | 7,427 | 7,974 |
| Taxation - net | 13 | 99,539 | 104,501 |
| Current portion of long term financing - secured | 8 | 257,150 | 255,190 |
| Current portion of lease liabilities | 10 | 230,301 | 192,895 |
| | | 6,141,615 | 5,475,152 |
| | | 23,937,906 | 21,430,982 |
| **CONTINGENCIES AND COMMITMENTS** | 14 | | |

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **NON - CURRENT ASSETS** | | | |
| Property, plant and equipment | 15 | 9,134,220 | 8,618,241 |
| Intangible assets | 16 | 37,778 | 43,052 |
| Investment property - at cost | 17 | 624,872 | 624,872 |
| Long term investments - at cost | 18 | 6,971,093 | 4,522,553 |
| Long term advances | | 255,514 | - |
| Long term deposits | 19 | 106,603 | 105,003 |
| | | 17,130,080 | 13,913,721 |
| **CURRENT ASSETS** | | | |
| Stores, spare parts and loose tools | 20 | 223,985 | 224,161 |
| Stock in trade | 21 | 937,576 | 959,987 |
| Trade debts | 22 | 2,313,210 | 1,461,456 |
| Loans and advances | 23 | 113,486 | 138,025 |
| Deposits, prepayments and other receivables | 24 | 178,668 | 196,244 |
| Markup accrued | | 14,156 | 19,219 |
| Other financial assets | 25 | 1,056,347 | 1,006,355 |
| Taxation - net | | - | - |
| Cash and bank balances | 26 | 1,970,398 | 3,511,814 |
| | | 6,807,826 | 7,517,261 |
| | | 23,937,906 | 21,430,982 |

The annexed notes from 1 to 47 form an integral part of these special purpose unconsolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Revenue - net | 27 | 15,386,641 | 27,967,661 |
| Other income | 28 | 192,344 | 402,822 |
| Operating costs | 29 | (12,627,243) | (23,737,514) |
| Finance costs | 30 | (179,127) | (353,832) |
| Expected credit losses | 24.2 & 41.1.3 | (97,274) | (144,421) |
| Profit before levies and income tax | | 2,675,341 | 4,134,716 |
| Levies | 31 | - | (6,923) |
| Profit before income tax | | 2,675,341 | 4,127,793 |
| Income tax expense | 31 | (1,057,520) | (1,798,813) |
| Profit for the period | | 1,617,821 | 2,328,980 |
| Earnings per share - basic and diluted (Rupees) | 32 | 25.59 | 36.84 |

The annexed notes from 1 to 47 form an integral part of these special purpose unconsolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Profit for the period | 1,617,821 | 2,328,980 |
| **Other comprehensive income:** | | |
| **Items that will not be subsequently reclassified to the unconsolidated statement of profit or loss:** | | |
| Loss on remeasurement of staff gratuity fund benefit plan (net of tax) | - | (50,820) |
| Surplus on revaluation of land | - | 181,216 |
| | - | 130,396 |
| Total comprehensive income for the period | 1,617,821 | 2,459,376 |

The annexed notes from 1 to 47 form an integral part of these special purpose unconsolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | Share capital | Share premium | Surplus on revaluation of property, plant and equipment | Un-appropriated profit | Total |
|---|---|---|---|---|---|
| | ---------- (Rupees in '000') ---------- | | | | |
| **Balance as at July 01, 2024** | 632,144 | 2,738,888 | 920,827 | 7,624,157 | 11,916,016 |
| **Total comprehensive income:** | | | | | |
| Profit for the year | - | - | - | 2,328,980 | 2,328,980 |
| Other comprehensive income - net of tax | - | - | 181,216 | (50,820) | 130,396 |
| | - | - | 181,216 | 2,278,160 | 2,459,376 |
| Transfer upon merger | - | - | 28,730 | 60,533 | 89,263 |
| Realisation of revaluation surplus on disposal of assets | - | - | (14,517) | 14,517 | - |
| Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation | - | - | (11,271) | 11,271 | - |
| **Distribution to owners:** | | | | | |
| Dividend - final 2024 @ Rs. 2.5 per share | - | - | - | (158,036) | (158,036) |
| **Balance as at June 30, 2025** | 632,144 | 2,738,888 | 1,104,985 | 9,830,602 | 14,306,619 |
| **Total comprehensive income:** | | | | | |
| Profit for the period | - | - | - | 1,617,821 | 1,617,821 |
| Other comprehensive income - net of tax | - | - | - | - | - |
| | - | - | - | 1,617,821 | 1,617,821 |
| Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation / amortisation | - | - | (6,976) | 6,976 | - |
| **Distribution to owners:** | | | | | |
| Dividend - final 2025 @ Rs. 5 per share | - | - | - | (316,072) | (316,072) |
| **Balance as at December 31, 2025** | 632,144 | 2,738,888 | 1,098,009 | 11,139,327 | 15,608,368 |

The annexed notes from 1 to 47 form an integral part of these special purpose unconsolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

BDO Ebrahim & Co.

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before levies and income tax | | 2,675,341 | 4,134,716 |
| Adjustment of non - cash income and expense | 40 | 1,084,120 | 2,019,813 |
| Operating cash flows before changes in working capital | | 3,759,461 | 6,154,529 |
| **Changes in working capital:** | | | |
| **(Increase) / decrease in current assets:** | | | |
| Stores, spare parts and loose tools | | 1,254 | 16,746 |
| Stock in trade | | 22,411 | 58,334 |
| Trade debts | | (949,027) | (167,997) |
| Loans and advances | | 24,539 | 19,432 |
| Deposits, prepayments and other receivables | | 17,576 | (34,735) |
| **(Decrease) / increase in current liabilities:** | | | |
| Trade and other payables | | (144,879) | 483,989 |
| | | (1,028,126) | 375,769 |
| Cash generated from operations | | 2,731,335 | 6,530,298 |
| Finance costs paid | | (110,096) | (258,570) |
| Income tax paid | | (1,086,960) | (1,555,738) |
| Payment to SIHL Employees' Gratuity Fund Trust | | (116,842) | (215,360) |
| Compensated absences paid | | (61,238) | (89,047) |
| Payment to defined contribution plan | | (71,636) | (103,971) |
| Net cash generated from operating activities | | 1,284,563 | 4,307,612 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Addition to property, plant and equipment (PPE) | | (516,879) | (1,083,951) |
| Addition to intangible assets | | - | (5,787) |
| Addition to long term investments | | (1,840,520) | (1,159,104) |
| Investment in other financial assets - net | | - | (750,296) |
| Proceeds from disposal of PPE | | 826 | 5,317 |
| Markup received | | 110,705 | 170,255 |
| Dividend received | | - | 50,926 |
| Increase in long term advances | | (255,514) | - |
| (Increase) / decrease in long term deposits | | (1,600) | 6,308 |
| Net cash used in investing activities | | (2,502,982) | (2,766,332) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Long term financing - repayments | | (136,667) | (504,047) |
| Proceeds from long term financing | | 253,724 | 537,704 |
| Payment of lease liabilities | | (150,998) | (329,771) |
| Dividend paid | | (299,005) | (153,831) |
| Net cash used in financing activities | | (332,946) | (449,945) |
| Net (decrease) / increase in cash and cash equivalents | | (1,551,365) | 1,091,335 |
| Cash and cash equivalents at beginning of the period | | 3,514,814 | 2,132,377 |
| Cash and cash equivalents of amalgamated company | | - | 283,903 |
| Effect of exchange rate changes on cash and cash equivalents | | 9,949 | 7,199 |
| **Cash and cash equivalents at end of the period** | 38 | 1,973,398 | 3,514,814 |

The annexed notes from 1 to 47 form an integral part of these special purpose unconsolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

## 1 STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited (the Company / SIHL) was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and converted into a public limited company on October 12, 1989. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Sector H-8/4, Islamabad.

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

Subsequent to the reporting date, the board of directors approved the transfer of SIHL's Faisalabad hospital to Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) effective April 01, 2026. In this regard, the lease of the hospital premises has been novated to SNHF and the related equipment has been leased to SNHF, alongside execution of management and operational services arrangements. As at December 31, 2025, all related assets, liabilities, and lease arrangements continue to be recognised in these financial statements.

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

-H-8 Hospital, Pitras Bukhari Road, Sector H-8/4, Islamabad;
-Neuro Sciences Institute, Pitras Bukhari Road, Sector H-8/4, Islamabad;
-G-10 Hospital, G-10 Markaz, Islamabad;
-Shifa Medical Center, Gulberg Greens, Islamabad; and
-Faisalabad Hospital, Main Jaranwala Road, Faisalabad.

Percentage share of total revenue given in note 27.

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| Islamabad | 97% | 97% |
| Faisalabad | 3% | 3% |
| | 100% | 100% |

## 2 BASIS OF PREPARATION

2.1 These financial statements of the Company for the six month period ended December 31, 2025 have been prepared under the requirement of Section 282(2)(e) of the Companies Act, 2017 in



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relation with the scheme of arrangement for the amalgamation of the Shifa Medical Center Islamabad (Private) Limited(SMCI) with and into Shifa International Hospitals Limited(SHIL). These special purpose financial statements have been prepared on the same basis of accounting as used in the preparation of the statutory financial statements for the year ended June 30, 2025 and may not be suitable for any other purpose.

### 2.2 Statement of compliance

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

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

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

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

### 2.3 Basis of measurement

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

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

### 2.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional currency.

### 2.5 Use of estimates and judgments

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



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

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

| | |
|---|---|
| Notes 4.2, 4.3, 4.16.4 and 8 | Estimate of fair value of financial liabilities at initial recognition |
| Notes 4.4, 4.5, 9, 13 and 31 | Provision for taxation |
| Notes 4.6, 10 and 15 | Right of use asset and corresponding lease liability |
| Notes 4.8, and 11.4 | Employee benefits |
| Notes 4.9, 4.10 and 14 | Provisions and contingencies |
| Notes 4.11 and 15 | Estimate of useful life of property, plant and equipment |
| Notes 4.12 and 16 | Estimate of useful life of intangible assets |
| Note 4.14 | Impairment of non-financial assets |
| Notes 4.15 and 18 | Estimate of recoverable amount of investment in subsidiaries and associates |
| Notes 4.16.2, 24.2 and 41.1.3 | Expected credit loss allowance |
| Notes 4.17 and 20 | Provision for slow moving stores, spares and loose tools |

## 3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | **Effective date (annual periods beginning on or after)** |
|---|---|
| Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |

### 3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



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| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IFRS - 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS - 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS - 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IFRS - 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| IFRS - 17 'Insurance Contracts' | January 01, 2026 |

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRIC 12 'Service Concession Arrangement' has been issued by IASB effective from January 01, 2008. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these unconsolidated financial statements, otherwise atated.



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## 4.1 Share capital and dividend

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

## 4.2 Financing and finance cost

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

## 4.3 Government grants

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

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

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

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

## 4.4 Taxation

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

### Current

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



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### Deferred

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

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

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

## 4.5 Levies

Minimum tax, final tax and super tax not based on taxable profits are recognised as a levy in the unconsolidated statement of profit or loss. The amount calculated on taxable income using the notified tax rate is recognised as current income tax expense for the year in statement of profit or loss under the scope of IAS-12. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 ("the Ordinance") over the amount designated as current income tax for the year, is then recognised as a levy falling under the scope of IFRIC-21 / IAS-37.

## 4.6 Leases

### 4.6.1 Right of use assets (ROUs)

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

The right of use assets is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use assets or the



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end of the lease term. The estimated useful lives of right of use assets are determined as those of similar assets or the lease term as specified in contract. In addition, the right of use assets is periodically reduced by impairment loss, if any, and adjusted for certain remeasurements of the lease liability.

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

### 4.6.2 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 receivabl
- 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 assets, or is recorded in unconsolidated statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

## 4.7 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.

## 4.8 Employee benefits

### Defined benefit plan

The Company operates approved funded gratuity scheme for all its non management employees who have completed the minimum qualifying period of service as defined in the scheme.



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Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the unconsolidated statement of profit or loss. The actuarial gain or loss at each evaluation date are charged to unconsolidated statement of comprehensive income.

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

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

**Defined contribution plan**

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

**Compensated absences**

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

## 4.9 Provisions

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

## 4.10 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.



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

## 4.11 Property, plant and equipment

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

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

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

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

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

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

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

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

### 4.12 Intangible assets

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

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

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

### 4.13 Investment property - at cost

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

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

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

### 4.14 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



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amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the unconsolidated statement of profit or loss except for the impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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

### 4.15 Investments

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

#### 4.15.1 Investment in subsidary

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

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

#### 4.15.2 Investment in associate

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



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impairment loss is recognised in the unconsolidated statement of profit or loss. The profit or loss of associate is carried forward in their financial statements and is not dealt within these unconsolidated financial statements except to the extent of dividend declared by the associate. Gain or loss on disposal of investments is included in the unconsolidated statement of profit or loss.

## 4.16 Financial assets

### Initial measurement

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

The Company classifies its financial assets into following three categories:
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- amortised cost.

### Subsequent measurement

**i) Debt instrument at FVOCI**

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

**ii) Equity instrument at FVOCI**

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

**iii) Financial assets at FVTPL**

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

**iv) Financial assets at amortised cost**

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



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### 4.16.1 Other financial assets

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

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

### 4.16.2 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets 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 life time losses to be recognised from initial recognition of the receivables.

The Company recognises life time ECL for trade debts, using the simplified approach. The ECL on trade debts is 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 ECL against other receivables is also recognised due to significant increase in credit risk since initial recognition.

The measurement of ECL 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 life time ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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



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based on whether there is a reasonable expectation of recovery.

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

### 4.16.3 Derecognition

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

### 4.16.4 Financial liabilities

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

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

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

### 4.16.5 Off-setting financial assets and financial liabilities

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

## 4.17 Stores, spare parts and loose tools

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

The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis.



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## 4.18 Stock in trade

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

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 stock in trade with a corresponding affect on the provision.

## 4.19 Trade debts, loans, deposits, interest accrued and other receivables

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

## 4.20 Cash and cash equivalents

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

## 4.21 Foreign currencies

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

## 4.22 Operating segments

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.

## 4.23 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer.



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Revenue from operations of the Company is recognised when the services are provided, and thereby the performance obligations are satisfied.

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

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

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

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

Scrap sales and miscellaneous receipts are recognised on realised amounts.

### 4.24 Earnings per share

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

### 4.25 Fair value measurement

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

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

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 best economic



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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 is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

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

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

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## 5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| December 31, 2025 | June 30, 2025 | | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| ---- Number ---- | | | (Rupees in '000') | |
| 61,974,886 | 61,974,886 | Ordinary shares of Rs. 10 each issued for cash | 619,749 | 619,749 |
| 1,239,497 | 1,239,497 | Ordinary shares of Rs. 10 each issued as fully paid bonus shares | 12,395 | 12,395 |
| 63,214,383 | 63,214,383 | | 632,144 | 632,144 |

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

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

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

### 5.4 Capital management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximise return of shareholders and optimise benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital. There were no changes to the Company's approach to capital management during the period.

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Equity | 15,608,368 | 14,306,619 |
| Debt including lease liabilities | 2,402,142 | 1,808,028 |
| | ----- Percentage ----- | |
| Debt to equity ratio | 13 | 11 |



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

## 6 SHARE PREMIUM

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

## 7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Balance at beginning of the period | 1,104,985 | 920,827 |
| Revaluation surplus during the period | - | 181,216 |
| Transfer of revaluation surplus on property | - | 28,730 |
| Realisation of revaluation surplus on disposal of assets | - | (14,517) |
| Transferred to unappropriated profits in respect of incremental depreciation / amortisation charged during the period | (6,976) | (11,271) |
| Balance at end of the period | 1,098,009 | 1,104,985 |

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

## 8 LONG TERM FINANCING - SECURED

**From banking companies and non banking financial institutions**

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Diminishing Musharakah Facility-1 | 8.1 | 89,765 | 105,964 |
| Diminishing Musharakah Facility-2 | 8.2 | 360,869 | 433,043 |
| Diminishing Musharakah Facility-3 | 8.3 | 586,356 | 475,986 |
| Diminishing Musharakah Facility-4 | 8.4 | 143,035 | - |



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| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Islamic Refinance Facility to Combat COVID-19 (IRFCC) | 8.5 | 5,764 | 28,003 |
| Deferred income - Government grant | | 38 | 861 |
| | | 5,802 | 28,864 |
| Islamic Refinance Facility to Combat COVID-19 (IRFCC) | 8.6 | 9,100 | 13,249 |
| Deferred income - Government grant | | 744 | 1,516 |
| | | 9,844 | 14,765 |
| Refinance Facility to Combat COVID-19 | 8.7 | 28,095 | 45,339 |
| Deferred income - Government grant | | 1,900 | 4,648 |
| | | 29,995 | 49,987 |
| | | 1,225,666 | 1,108,609 |
| | | 229,055 | 219,528 |
| | | 28,095 | 35,662 |
| Less: current portion | | 257,150 | 255,190 |
| | | 968,516 | 853,419 |

8.1 This represents the outstanding balance of the long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 161.90 million (June 30, 2025: Rs. 161.90 million). The principal amount is repayable in 60 equal monthly instalments carrying a profit rate at 3 months KIBOR plus 0.70% per annum. The unavailed limit of this facility is nil (June 30, 2025: nil).

8.2 This represents the outstanding balance of the long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.40 million (June 30, 2025: Rs. 577.40 million). The principal amount is repayable in 16 equal quarterly instalments carrying a profit rate at 3 months KIBOR plus 0.70% per annum. The financing is initially secured by a ranking charge of Rs. 800 million, which has been upgraded to a first exclusive charge on the plant and machinery being financed under the Diminishing Musharakah facility to be installed at the hospital located at H-8/4, Islamabad. The unavailed limit of this facility is nil (June 30, 2025: nil).

8.3 This represents the outstanding balance of the long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 586.36 million (June 30, 2025: Rs. 475.90 million). The principal amount is repayable in 16 equal quarterly instalments carrying a profit rate at 3 months KIBOR plus 0.50% per annum. The financing is secured by an existing first pari passu charge of Rs. 800 million on all present and future fixed assets of the Company. The unavailed limit of this facility is Rs. 13.64 million (June 30, 2025: Rs. 124.10 million).

8.4 This represents the outstanding balance of the long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 143.03 million (June 30, 2025: nil). The principal amount is



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repayable in 16 equal quarterly instalments carrying a profit rate at 3 months KIBOR plus 0.50% per annum. The financing is secured by an existing first pari passu charge of Rs. 400 million on all present and future fixed assets of the Company. The unavailed limit of this facility is Rs. 156.97 million (June 30, 2025: nil).

8.5 This represents the outstanding balance of a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (June 30, 2025: Rs. 200 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under the State Bank of Pakistan IRFCC scheme. The principal amount shall be repaid by January 27, 2026, in 18 equal quarterly instalments with no profit rate. The financing is secured by the first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the Company (excluding land and building). The unavailed limit of this facility is nil (June 30, 2025: nil). Since the financing under the SBP refinance scheme carries no profit rate, the loan has been recognised at present value using the Company's effective profit rate along with the recognition of the government grant.

| | **December 31, 2025** | **June 30, 2025** |
|---|---|---|
| | **(Rupees in '000')** | |
| Balance at beginning of the period | 861 | 5,341 |
| Amortisation during the period | (823) | (4,480) |
| Balance at end of the period | 38 | 861 |

8.6 This represents the outstanding balance of the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.90 million (June 30, 2025: Rs. 45.90 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under the State Bank of Pakistan IRFCC scheme. The principal amount shall be repaid by December 15, 2026, in 9 equal half-yearly instalments with a profit rate of 1% per annum. The facility is secured by an exclusive charge of Rs. 55 million over equipment / machinery against DM IRFCC. The unavailed limit of this facility is nil (June 30, 2025: nil). Since the financing under the SBP refinance scheme carries the profit rate below the market rate, the loan has been recognised at present value using the Company's effective profit rate along with the recognition of the government grant.

| | **December 31, 2025** | **June 30, 2025** |
|---|---|---|
| | **(Rupees in '000')** | |
| Balance at beginning of the period | 1,516 | 4,073 |
| Amortisation during the period | (772) | (2,557) |
| Balance at end of the period | 744 | 1,516 |

8.7 This represents the outstanding balance of the long term finance facility obtained from United Bank Limited of Rs. 185.20 million (June 30, 2025: Rs. 185.20 million). The principal amount



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shall be repaid by September 14, 2026, in 18 equal quarterly instalments carrying profit at 1% per annum. The financing is secured by the first pari passu charge of Rs. 267 million over fixed assets (excluding land and building) of the Company. The unavailed limit of this facility is nil (June 30, 2025: nil). Since the financing under the SBP refinance scheme carries the markup rate below the market rate, the loan has been recognised at present value using the Company's effective profit rate along with the recognition of the government grant.

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Balance at beginning of the period | | 4,648 | 13,329 |
| Amortisation during the period | | (2,748) | (8,681) |
| Balance at end of the period | | 1,900 | 4,648 |

## 9 DEFERRED LIABILITIES

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Deferred taxation | 9.1 | 219,946 | 244,422 |
| Defined contribution plan | | 53,286 | 44,846 |
| | | 273,232 | 289,268 |

### 9.1 Deferred taxation:

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Deferred tax liability | 9.1.1 | 508,966 | 530,575 |
| Deferred tax asset | 9.1.2 | (289,020) | (286,153) |
| Net deferred tax liability | | 219,946 | 244,422 |

### 9.1.1 Deferred tax liability on taxable temporary differences:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| Accelerated depreciation / amortisation allowance | 508,966 | 530,575 |

### 9.1.2 Deferred tax asset on deductible temporary differences:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| Right of use assets net of lease liabilities | (62,434) | (57,984) |
| Specific provisions | (204,584) | (188,105) |
| Retirement benefit obligation | (22,002) | (40,064) |
| | (289,020) | (286,153) |

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### 9.1.3 Breakup and movement of deferred tax balances is as follows:

| Deferred tax liabilities / (assets) | Opening balance | Statement of profit or loss | Other comprehensive income | Closing balance |
|---|---|---|---|---|
| | ------------- | (Rupees in '000') | ------------- | |
| **December 31, 2025** | | | | |
| **Effect of taxable temporary differences** | | | | |
| Accelerated depreciation / amortisation allowance | 530,575 | (21,609) | - | 508,966 |
| **Effect of deductible temporary differences** | | | | |
| Right of use assets net of lease liabilities | (57,984) | (4,451) | - | (62,434) |
| Specific provisions | (188,105) | (16,478) | - | (204,584) |
| Retirement benefit obligation | (40,064) | 18,063 | - | (22,002) |
| | 244,422 | (24,475) | - | 219,946 |
| **June 30, 2025** | | | | |
| **Effect of taxable temporary differences** | | | | |
| Accelerated depreciation / amortisation allowance | 604,045 | (73,470) | - | 530,575 |
| **Effect of deductible temporary differences** | | | | |
| Right of use assets net of lease liabilities | (66,580) | 8,596 | - | (57,984) |
| Specific provisions | (130,739) | (57,366) | - | (188,105) |
| Retirement benefit obligation | (51,766) | 44,193 | (32,491) | (40,064) |
| | 354,960 | (78,047) | (32,491) | 244,422 |

9.1.4 Deferred tax assets and liabilities on temporary differences are measured at the rate of 39% (June 30, 2025: 39%).

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| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| 10 | **LEASE LIABILITIES** | | | |
| | Balance at beginning of the period | | 699,419 | 793,646 |
| | Addition during the period | | 558,477 | 207,615 |
| | Interest expense during the period | 30 | 69,578 | 111,146 |
| | Termination during the period | | - | (83,217) |
| | Payments during the period | | (150,998) | (329,771) |
| | Balance at end of the period | 10.1 | 1,176,476 | 699,419 |
| | Less: current portion | | 230,301 | 192,895 |
| | | | 946,175 | 506,524 |

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

| | Minimum lease payments | Interest | Present value of minimum lease payments |
|---|---|---|---|
| | ------- (Rupees in '000') ------- | | |
| **December 31, 2025** | | | |
| Less than one year | 252,966 | 22,665 | 230,301 |
| Between one and five years | 592,722 | 181,654 | 411,068 |
| More than five years | 6,172,036 | 5,636,929 | 535,107 |
| | 7,017,724 | 5,841,248 | 1,176,476 |
| **June 30, 2025** | | | |
| Less than one year | 242,874 | 49,979 | 192,895 |
| Between one and five years | 528,383 | 142,038 | 386,345 |
| More than five years | 218,502 | 98,323 | 120,179 |
| | 989,759 | 290,340 | 699,419 |

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| 10.2 | **Amounts recognised in the unconsolidated statement of profit or loss** | | | |
| | Interest expense on lease liabilities | 30 | 69,578 | 111,146 |
| | Expense relating to short term / low value lease | 29 | 24,053 | 26,218 |
| | | | 93,631 | 137,364 |



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| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **11** | **TRADE AND OTHER PAYABLES** | | | |
| | Creditors | 11.1 | 3,131,423 | 2,456,297 |
| | Accrued liabilities | | 835,688 | 749,818 |
| | Advances from customers - contract liability | 11.2 | 323,011 | 422,014 |
| | Medical consultants' charges | | 690,305 | 726,226 |
| | Security deposits | 11.3 | 148,428 | 144,573 |
| | Compensated absences | 11.4 | 243,694 | 223,374 |
| | Defined contribution plan | | 39,774 | 31,027 |
| | Retention money | | 12,457 | 9,600 |
| | Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund Trust (the Fund) | | 56,416 | 102,728 |
| | | | 5,481,196 | 4,865,657 |

**11.1 This includes payable to related parties (unsecured) as detailed below:**

| | | |
|---|---|---|
| Tameer - e - Millat Foundation (TMF) | 7,120 | 4,186 |
| Shifa Tameer - e - Millat University (STMU) | 83,106 | 42,798 |
| | 90,226 | 46,984 |

**11.2 Advances from customers - contract liability**

| | | |
|---|---|---|
| Balance at beginning of the period | 422,014 | 384,383 |
| Revenue recognised during the period | (144,308) | (71,099) |
| Advance refund during the period | - | (64,797) |
| Advance received during the period | 45,305 | 173,527 |
| Balance at end of the period | 323,011 | 422,014 |

11.3 This includes security deposits retained from employees of Rs. 58.16 million (June 30, 2025: Rs. 54.44 million) held in separate bank account and balances obtained from customers of Rs. 90.27 million (June 30, 2025: Rs. 90.14 million) that are utilisable for the purpose of the business in accordance with agreement with customers.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **11.4** | **Compensated absences** | | | |
| | Balance at beginning of the period | | 223,374 | 175,903 |
| | Provision made for the period | | 81,558 | 136,518 |
| | | | 304,932 | 312,421 |
| | Payments made during the period | | (61,238) | (89,047) |
| | Balance at end of the period | 11.4.1 | 243,694 | 223,374 |



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11.4.1 Actuarial valuation of un-availed leaves has not been carried out since management believes that the effect of actuarial valuation would not be material.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **12** | **MARKUP ACCRUED** | | | |
| | Long term financing | | 7,427 | 7,974 |
| **13** | **TAXATION - NET** | | | |
| | Tax payable / (refundable) at beginning of the period | | 104,501 | (225,780) |
| | Income tax paid / deducted at source during the period | | (1,086,957) | (1,553,502) |
| | | | (982,456) | (1,779,282) |
| | Income tax expense / levies | 31 | 1,081,995 | 1,883,783 |
| | Tax payable at end of the period | | 99,539 | 104,501 |

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

14.1.1 The guarantee issued by the bank in favour of Sui Northern Gas Pipelines Limited (SNGPL) and Imtiaz Group (SMC-Private) Limited of aggregate sum of Rs. 39.05 million (June 30, 2025: Rs. 36.60 million) on behalf of the Company in its ordinary course of business.

14.1.2 The Company is facing claims and penalties amounting to Rs. 3.9 million (June 30, 2025: Rs. 5.9 million). The Company successfully defended a claim of Rs. 2 million. The Honourable Supreme Court of Pakistan has allowed the Company's appeal and set aside the decree requiring payment of the said amount. In compliance with earlier directions of the Islamabad High Court (IHC), a pay order of Rs. 2 million had been deposited with the Deputy Registrar, IHC. An application has been filed for recovering the said amount. Against the remaining claims of Rs. 3.9 million, the Company has made payments under protest amounting to Rs. 2.4 million and in compliance with IHC direction furnished a bank guarantee of Rs. 0.5 million. These matters continue to be contested before the Islamabad, Peshawar and Lahore High Courts and the Supreme Court of Pakistan. The Company's management, based on advice from respective legal counsels, remains confident of favorable resolutions in the aforementioned matters.

Furthermore, on June 06, 2012, the Competition Commission of Pakistan (CCP) imposed a penalty of Rs. 20 million on each Gulf Cooperation Council Approved Medical Centers, including the Company, for alleged non-competitive practices. During the period under review the Competition Appellate Tribunal (CAT), through its order dated August 11, 2025, reduced the penalty to Rs. 2 million. Notwithstanding the CAT's order, on August 12, 2025 the CCP, without notice and contrary to the procedure prescribed under the Competition Act, 2010, attached the Company's bank accounts and recovered Rs. 4.01 million, i.e. twice the penalty determined by the CAT. Subsequently, the CCP refunded Rs. 2.01 million.



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14.1.3 The Company had received a demand notice from the Capital Development Authority (CDA) regarding the payment of regularisation charges. As per the notice dated March 21, 2025, CDA has demanded payment of Rs. 790.76 million as regularisation charges, out of which Rs. 384.92 million has already been paid by the Company. The balance amount of Rs. 405.84 million is being contested vehemently as the same is the beyond the scope of legal charges / rates invoked at the time of demand. The Company intends to pursue rigorously and avail all appropriate legal remedy before competent forum. The Company has also expressed its protest in clear terms to the CDA against said excessive demand. No provision has been made in these financial statements as the Company's management as per advice of the legal counsel, is confident that a favorable outcome will be achieved.

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

14.1.4.1 The tax authorities amended the assessments for tax years 2012 to 2016, 2019, 2021, and 2023 under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance), creating an aggregate tax demand of Rs. 648.70 million. Aggrieved by these orders, the Company preferred appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] and / or the Appellate Tribunal Inland Revenue (ATIR), as applicable, on various dates between September 2018 and February 2025. The ATIR, vide Order Nos. ITA 1883-1884(IB)/2018 dated August 20, 2025 and November 27, 2025, adjudicated the cross appeals for tax years 2013 and 2014, whereas the appeals for the remaining years are currently pending adjudication. Being aggrieved with the order of the ATIR for the tax year 2013 and 2014, the Company filed a reference before Islamabad High Court on November 07, 2025, on the issues not decided in favor of the Company which is pending adjudication.

14.1.4.2 The tax authorities imposed taxes of Rs. 109.60 million, Rs. 178.40 million, Rs. 27.40 million, and Rs. 29.20 million under section 161/205 of the Ordinance for the tax years 2016, 2014, 2013, and 2012 respectively, based on alleged non-deduction of tax on payments. The Company, being aggrieved, appealed these assessments before the CIR(A). Regarding the tax year 2012, the CIR(A) deleted the assessment, while for the tax years 2013 and 2016, the assessment was set aside, and for the tax year 2014, the assessment was confirmed. The Company, still aggrieved, filed appeals for the tax years 2013, 2014, and 2016 before the ATIR. The appeals for the tax years 2013 and 2016 were filed on November 26, 2019 and June 06, 2023 respectively, and they are currently pending adjudication. Additionally, the ATIR has set aside the assessment for the tax year 2014 for denovo consideration.

14.1.4.3 The tax authorities amended the assessments for the tax years 2012, 2013 and from 2015 to 2017 under section 122(5) of the Ordinance. They raised an aggregate tax demand of Rs. 1,350.9 million. Being aggrieved, the Company appealed these assessments before the CIR(A). The CIR(A) annulled all the assessment orders, resulting in the deletion of the tax demand. Dissatisfied with the CIR(A)'s decision, the tax department filed an appeal before the ATIR on November 15, 2018. The ATIR, vide orders dated August 20, 2025, dismissed departmental appeals for the tax year 2012, 2013, 2015 and 2016. For the tax year 2017, being aggrieved with the order of the ATIR, the Company filed a reference before Islamabad High Court on November 07, 2025, on the issues not decided in favor of the Company which is pending adjudication.



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14.1.4.4 The tax authorities imposed sales tax under Section 11 of the Sales Tax Act, 1990, on the alleged non-payment of sales tax on sales of scrap, fixed assets, and cafeteria services for the tax years 2016 to 2020, raising total tax demands of Rs. 225.20 million for these years. Upon appeal, the ATIR through orders from February 16, 2021 to July 30, 2024 deleted the sales tax charged on cafeteria services and fixed assets but confirmed the sales tax on scrap. Furthermore, for the tax years 2016 and 2020, the department has filed sales tax references before the High Court, which are currently pending adjudication.

14.1.4.5 In the case of amalgamated entity, SNS Islamabad, the tax authorities amended the assessment for tax year 2021 under section 122(5A) of the Ordinance, through an order dated August 31, 2022, creating a demand of Rs. 8.50 million by disallowing a refund adjustment from tax year 2020. The CIR(A) annulled the order on February 10, 2023. However, a fresh notice for reassessment was issued on May 27, 2025, and a revised order was passed on the same grounds, alleging the refund of Rs. 8.50 million as unverified. Being aggrieved Company file an appeal before CIR(A) on July 24, 2025 which 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 favour of the Company. Accordingly, no provision has been made in respect of above in these unconsolidated financial statements.

| | | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **14.2** | **Commitments** | | |
| 14.2.1 | Capital expenditure contracted | 328,819 | 160,117 |
| 14.2.2 | Letter of credit | 98,484 | - |

## 15 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 | Air conditioning equipment and machinery | Electrical and other equipment | Furniture and fittings | Construction equipment | Computer installations | Vehicles | Capital work in progress (note 15.6) | Office premises | Electrical equipment | Total |
| | (Rupees in 000) | | | | | | | | | | | | | | | |
| **Cost / revalued amount** | | | | | | | | | | | | | | | | |
| **Balance as at July 01, 2024** | 40,656 | 1,009,761 | 58,898 | 2,720,407 | 517,307 | 5,510,469 | 569,850 | 930,144 | 271,950 | 3,648 | 905,120 | 226,138 | 336,589 | 1,655,640 | 57,000 | 14,813,577 |
| Additions | - | - | - | - | - | 308,008 | 11,847 | 29,067 | 8,698 | - | 59,224 | 87,058 | 580,049 | 210,241 | - | 1,294,192 |
| On merger | - | 1,024,115 | - | 503,681 | - | - | - | - | - | - | - | - | - | - | - | 1,527,796 |
| Revaluation | 19,344 | 161,872 | - | - | - | - | - | - | - | - | - | - | - | - | - | 181,216 |
| Disposals | - | - | - | - | - | - | - | - | - | - | (1,942) | (13,980) | - | - | - | (15,922) |
| Termination of lease | - | - | - | - | - | - | - | - | - | - | - | - | - | (516,767) | - | (516,767) |
| Write offs | - | - | - | - | - | (239,714) | (19,937) | (96,522) | (39,086) | (862) | (80,720) | - | (60,443) | - | - | (537,284) |
| Transfers | - | - | - | 206,393 | (180,121) | 359,037 | - | - | - | - | 6,529 | - | (391,838) | - | - | - |
| **Balance as at June 30, 2025** | 60,000 | 2,195,748 | 58,898 | 3,430,481 | 337,186 | 5,937,800 | 561,760 | 862,689 | 241,562 | 2,786 | 888,211 | 299,216 | 464,357 | 1,349,114 | 57,000 | 16,746,808 |
| **Balance as at July 01, 2025** | 60,000 | 2,195,748 | 58,898 | 3,430,481 | 337,186 | 5,937,800 | 561,760 | 862,689 | 241,562 | 2,786 | 888,211 | 299,216 | 464,357 | 1,349,114 | 57,000 | 16,746,808 |
| Additions | - | - | - | - | - | 211,645 | 15,193 | 25,304 | 11,078 | - | 51,562 | 34,306 | 167,791 | 558,477 | - | 1,075,356 |
| Disposals | - | - | - | - | - | - | - | - | - | - | (1,701) | (2,034) | - | - | - | (3,735) |
| Write offs | - | - | - | - | - | (45,231) | (405) | (5,811) | (360) | - | (1,822) | - | - | - | - | (53,629) |
| Transfers | - | - | - | - | - | 21,936 | - | - | - | - | - | - | (21,936) | - | - | - |
| **Balance as at December 31, 2025** | 60,000 | 2,195,748 | 58,898 | 3,430,481 | 337,186 | 6,126,150 | 576,548 | 882,182 | 252,280 | 2,786 | 936,250 | 331,488 | 610,212 | 1,907,591 | 57,000 | 17,764,800 |
| **Depreciation / amortisation** | | | | | | | | | | | | | | | | |
| **Balance as at July 01, 2024** | - | 142,370 | 12,761 | 1,012,854 | 183,471 | 3,407,107 | 455,364 | 696,811 | 192,548 | 2,654 | 645,774 | 134,248 | - | 1,032,711 | 57,000 | 7,975,673 |
| Charge for the period | - | 18,463 | 2,945 | 97,264 | 79,223 | 412,206 | 42,064 | 59,646 | 15,624 | 279 | 100,884 | 33,314 | - | 228,583 | - | 1,090,495 |
| On disposals | - | - | - | - | - | - | - | - | - | - | (1,828) | (11,277) | - | - | - | (13,105) |
| Termination of lease | - | - | - | - | - | - | - | - | - | - | - | - | - | (462,921) | - | (462,921) |
| On write offs | - | - | - | - | - | (226,341) | (19,914) | (96,092) | (37,772) | (802) | (80,654) | - | - | - | - | (461,575) |
| **Balance at June 30, 2025** | - | 160,833 | 15,706 | 1,110,118 | 262,694 | 3,592,972 | 477,514 | 660,365 | 170,400 | 2,131 | 664,176 | 156,285 | - | 798,373 | 57,000 | 8,128,567 |
| **Balance as at July 01, 2025** | - | 160,833 | 15,706 | 1,110,118 | 262,694 | 3,592,972 | 477,514 | 660,365 | 170,400 | 2,131 | 664,176 | 156,285 | - | 798,373 | 57,000 | 8,128,567 |
| Charge for the period | - | 16,885 | 1,472 | 70,762 | 30,701 | 213,928 | 17,470 | 28,412 | 7,840 | 136 | 52,884 | 23,787 | - | 92,827 | - | 557,104 |
| On disposals | - | - | - | - | - | - | - | - | - | - | (1,629) | (2,034) | - | - | - | (3,663) |
| On write offs | - | - | - | - | - | (43,186) | (405) | (5,755) | (259) | - | (1,822) | - | - | - | - | (51,427) |
| **Balance as at December 31, 2025** | - | 177,718 | 17,178 | 1,180,880 | 293,395 | 3,763,714 | 494,579 | 683,022 | 177,981 | 2,267 | 713,609 | 178,038 | - | 891,200 | 57,000 | 8,630,581 |
| Carrying value as at June 30, 2025 | 60,000 | 2,034,915 | 43,192 | 2,320,363 | 74,492 | 2,344,828 | 84,246 | 202,324 | 71,162 | 655 | 224,035 | 142,931 | 464,357 | 550,741 | - | 8,618,241 |
| **Carrying value as at December 31, 2025** | 60,000 | 2,018,030 | 41,720 | 2,249,601 | 43,791 | 2,362,436 | 81,969 | 199,160 | 74,299 | 519 | 222,641 | 153,450 | 610,212 | 1,016,391 | - | 9,134,220 |
| **Annual rate of depreciation (%)** | - | 1.58 | 5 | 2.5-40 | 20 | 10 | 10-15 | 10-20 | 10 | 10-20 | 25 | 20 | - | 5.85-33 | 33.3 | |

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15.1 The Company's leasehold and freehold lands were revalued as at June 30, 2025, by an independent valuer on a fair market value basis. The forced sale value (FSV) of the revalued leasehold and freehold lands have been assessed at Rs. 1,627.93 million and Rs. 51 million respectively.

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

| | Cost | Accumulated amortisation | Carrying value |
|---|---|---|---|
| | ----------- (Rupees in '000') ----------- | | |
| **Freehold land** | | | |
| December 31, 2025 | 14,483 | - | 14,483 |
| June 30, 2025 | 14,483 | - | 14,483 |
| **Leasehold land** | | | |
| December 31, 2025 | 1,221,761 | 27,961 | 1,193,800 |
| June 30, 2025 | 1,221,761 | 20,883 | 1,200,878 |

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

| Location | Nature | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | ----- Area ----- | |
| Shifa Cooperative Housing Society, Islamabad Expressway - Sq. Yds | Freehold land | 1003 | 1003 |
| SIHL H-8/4, Islamabad * - Kanal | Leasehold land | 87.8 | 87.8 |
| Neuro Sciences Institute H-8/4, Islamabad * - Sq. Yds | Leasehold land | 7100 | 7100 |

*The covered area include multi-storey buildings.

15.4 Property, plant and equipment include items with aggregate cost of Rs. 3,635.47 million (June 30, 2025: Rs. 3,484.01 million) representing fully depreciated assets that are still in use of the Company.

15.5 Property, plant and equipment of the Company are encumbered under an aggregate charge of Rs. 7,665.59 million (June 30, 2025: Rs. 7,665.59 million) in favor of lenders under various financing arrangements as disclosed in note 8.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **15.6** | **Capital work in progress** | | | |
| | Civil work | | 223,584 | 212,638 |
| | Installation of equipment | | 386,628 | 251,719 |
| | | | 610,212 | 464,357 |
| **16** | **INTANGIBLE ASSETS** | | | |
| | Softwares in use | 16.1 | 31,991 | 37,265 |
| | Software under development / deployment | 16.2 | 5,787 | 5,787 |
| | | | 37,778 | 43,052 |
| **16.1** | **Softwares in use** | | | |
| | **Cost** | | | |
| | Balance at beginning of the period / year | | 148,775 | 109,400 |
| | Addition during the period / year | | - | 39,375 |
| | Balance at end of the period / year | | 148,775 | 148,775 |
| | **Accumulated amortisation** | | | |
| | Balance at beginning of the period / year | | 111,510 | 107,995 |
| | Charged during the period / year | | 5,274 | 3,515 |
| | Balance at end of the period / year | | 116,784 | 111,510 |
| | Carrying value | | 31,991 | 37,265 |
| **16.2** | **Software under development / deployment** | | | |
| | Balance at beginning of the period / year | | 5,787 | 39,375 |
| | Addition during the period / year | | - | 5,787 |
| | Capitalised during the period / year | | - | (39,375) |
| | Balance at end of the period / year | | 5,787 | 5,787 |
| | **Annual amortisation rate** | | 25% | 25% |
| **17** | **INVESTMENT PROPERTY - AT COST** | | | |
| | Balance at beginning of the period / year | | 624,872 | 720,292 |
| | Disposed off during the period / year | | - | (95,420) |
| | Balance at end of the period / year | 17.1 | 624,872 | 624,872 |

17.1 This represents freehold land comprising of 11 plots at Shifa Cooperative Housing Society, Islamabad Expressway (SCHS), 48K-3M-182 Sqft at Chak No. 4, near Sargodha Road, Faisalabad of which 20K-14M-181 Sqft are subject to possession proceedings and 105.02 kanal at Motorway, Mouza Noon, Islamabad. An independent valuation was conducted to determine the fair value of the investment property as at June 30, 2025. The prices were assessed through a market survey of comparable properties in the vicinity. The fair value was based on the independent valuer's professional judgment, using openly available information and inquiries made in the market. Valuation was carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value and forced sale value of the land located at SCHS, Sargodha Road Faisalabad and Motorway, Mouza Noon, Islamabad are Rs. 430 million, Rs. 146.24 million, Rs. 315.06 million and Rs. 365.50 million, Rs. 116.99 million, Rs. 252.05 million respectively.

As previously reported, the Company was informed by its former property dealer about the sale of 49 kanal of land located at Mouza Noon, Islamabad; however, the Company was provided with the sale proceeds of only 10.83 kanal. Further, in coordination with land revenue authorities based on the Company's verification of land title against official record through an independent source, the authorities, in their latest assessment to date, have confirmed the Company's ownership of 105.02 kanal, of which 6.5 kanal remain under review. Accordingly, the sales proceeds of 36.7 kanal land was recorded in other receivables. The matter is being pursued, and the final outcome of the assessment will form the basis for determining the appropriate course of action.

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **18 LONG TERM INVESTMENTS - AT COST** | | | |
| **In subsidiary companies (unquoted):** | | | |
| Shifa Development Services (Private) Limited (SDSPL) | 18.2 | 9,966 | 9,966 |
| Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) | 18.3 | 3,188,195 | 2,137,373 |
| Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad) | 18.4 | 2,982,898 | 1,660,180 |
| **In associated companies (unquoted):** | | | |
| Shifa CARE (Private) Limited (SCPL) | 18.5 | 45,001 | 45,001 |
| SIHT (Private) Limited (SIHT) | 18.6 | 800,000 | 725,000 |
| | | 7,026,060 | 4,577,520 |

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| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Less: Impairment loss** | | |
| Shifa Development Services (Private) Limited (SDSPL) | 9,966 | 9,966 |
| Shifa CARE (Private) Limited (SCPL) | 45,001 | 45,001 |
| | 54,967 | 54,967 |
| | 6,971,093 | 4,522,553 |

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

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees) | |
| Shifa Development Services (Private) Limited (SDSPL) | (8.70) | (8.70) |
| Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) | 13.03 | 11.16 |
| Shifa Medical Centre Islamabad (Private) Limited (SMC Islamabad) | 13.22 | 13.29 |
| Shifa Care (Private) Limited (SCPL) | 0.07 | 0.60 |
| SIHT (Private) Limited | 67.62 | 68.63 |

18.2 This represents investment in 1,650,000 (June 30, 2025: 1,650,000) fully paid ordinary shares of Rs. 10 each of SDSPL. The above investment in ordinary shares represents 55% (June 30, 2025: 55%) shareholding in SDSPL held by the Company.

18.3 This represents investment in 318,819,487 (June 30, 2025: 213,737,338) fully paid ordinary shares of Rs. 10 each of SNH Faisalabad. The above investment in ordinary shares represents 60% (June 30, 2025: 60%) shareholding in SNH Faisalabad held by the Company.

18.4 This represents investment in 238,966,962 (June 30, 2025: 135,617,001) fully paid ordinary shares having face value of Rs. 10 each of SMC Islamabad including 103,349,961 shares acquired from minority shareholders at a price of Rs. 15.74 per share during the period. Consequently, the Company's total shareholding in SMC Islamabad increased to 99% (June 30, 2025: 56%).

After the reporting date, the Scheme of Arrangement (the "Scheme"), duly approved by the respective Board of Directors of SIHL and SMC Islamabad, for the merger / amalgamation of SMC Islamabad with and into SIHL has been filed with the Hon'ble Islamabad High Court (the "Court"). Pursuant to the directions of the Court, the Scheme has also been approved by the members of SIHL and SMC Islamabad in their respective Extra Ordinary General Meetings held on April 01, 2026 and April 04, 2026. The Scheme is in compliance with the requirements of Sections 279 to 283 and Section 285(8) of the Companies Act, 2017. Upon sanction by the Court, the Scheme provides for the transfer and vesting of the entire undertaking of SMC



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Islamabad, including all assets, liabilities, and obligations, into SIHL. As consideration, SIHL will issue shares to the minority shareholders of SMC Islamabad in accordance with the approved swap ratio. Upon sanction of the Scheme, SMC Islamabad will stand dissolved without winding up.

18.5 This represents investment in 4,500,050 (June 30, 2025: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (June 30, 2025: 50%) shareholding in SCPL held by the Company.

Summary of results of SCPL are as under:

| | **December 31, 2025** | **June 30, 2025** |
|---|---|---|
| | **(Rupees in '000')** | |
| **Summarised statement of financial position** | | |
| Non–current assets | - | - |
| Current assets | 8,525 | 8,525 |
| Current liabilities | (7,911) | (7,911) |
| Net assets | 614 | 614 |
| **Reconciliation to carrying amounts:** | | |
| Opening net assets | 614 | 6,571 |
| Total comprehensive loss for the period | - | (5,957) |
| Closing net assets | 614 | 614 |
| Company's share in carrying value of net assets | 307 | 307 |
| Company's share in total comprehensive loss | - | (2,979) |
| **Summarised statement of profit or loss and comprehensive income** | | |
| Revenue for the period / year – gross | - | - |
| Depreciation and amortisation | - | - |
| Finance cost | - | - |
| Provision for taxation | - | - |
| Loss for the period | - | (5,957) |
| Other comprehensive loss for the period | - | - |
| Total comprehensive loss for the period | - | (5,957) |

18.5.1 The above information is based on management financial statements of SCPL.



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18.6 This represents investment in 2,500,500 (June 30, 2025: 2,266,077) fully paid ordinary shares of Rs. 100 each of SIHT. The above investment in ordinary shares represents 50% (June 30, 2025: 45.30%) shareholding in SIHT held by the Company.

Summary of results of SIHT are as follows:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Summarised statement of financial position** | | |
| Non–current assets | 177,066 | 181,806 |
| Current assets | 420,289 | 415,707 |

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Summarised statement of financial position** | | |
| Non-current liabilities | (81,992) | (88,558) |
| Current liabilities | (177,175) | (165,714) |
| Net assets | 338,188 | 343,241 |
| **Reconciliation to carrying amounts:** | | |
| Opening net assets | 343,242 | 244,574 |
| Total comprehensive (loss)/income for the period | (5,054) | 48,668 |
| Equity | - | 50,000 |
| Closing net assets | 338,188 | 343,242 |
| Company's share in carrying value of net assets | 70,482 | 72,941 |
| Company's share in total comprehensive (loss) / income | (2,459) | 16,112 |
| **Summarised statement of profit or loss and comprehensive income** | | |
| Revenue for the period / year – gross | 403,314 | 717,519 |
| Depreciation and amortisation | (21,973) | (39,814) |
| Finance cost | (6,260) | (13,182) |
| Provision for taxation | (7,353) | (15,646) |
| (Loss)/ profit for the period | (5,054) | 48,668 |
| Other comprehensive (loss)/income for the period | - | - |
| Total comprehensive (loss)/income for the period | (5,054) | 48,668 |

18.6.1 The above information is based on management financial statements of SIHT.

## 19 LONG TERM DEPOSITS

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



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| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **20** | **STORES, SPARE PARTS AND LOOSE** | | | |
| | Stores | | 234,519 | 229,584 |
| | Spare parts | | 8,029 | 13,710 |
| | Loose tools | | 795 | 1,303 |
| | | | 243,343 | 244,597 |
| | Less: provision for slow moving items | 20.1 | 19,358 | 20,436 |
| | | | 223,985 | 224,161 |

**20.1 Movement of provision for slow moving items**

| | | |
|---|---|---|
| Balance at beginning of the period | 20,436 | 17,765 |
| (Reversal) / charged during the period | (1,078) | 2,671 |
| Balance at end of the period | 19,358 | 20,436 |

**21 STOCK IN TRADE**

This represents medicines being carried at moving average cost.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **22** | **TRADE DEBTS** | | | |
| | Unsecured - considered good | | | |
| | Related party - Shifa Foundation | 22.1 | 41,767 | 14,422 |
| | Others | | 2,608,649 | 1,740,911 |
| | | | 2,650,416 | 1,755,333 |
| | Less: allowance for expected credit losses (ECL) | 41.1.3 | 337,206 | 293,877 |
| | | | 2,313,210 | 1,461,456 |

22.1 Maximum amount due from Shifa Foundation at the end of any month during the period was Rs. 41.77 million (June 30, 2025: Rs. 24.58 million).

| | | Note | December 31, | June 30, |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **23** | **LOANS AND ADVANCES** | | | |
| | Secured - considered good | | | |
| | Executives | | 20,716 | 12,281 |
| | Other employees | | 17,038 | 16,420 |
| | | 23.1 | 37,754 | 28,701 |



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| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Unsecured - consultants | 5,818 | 7,123 |
| Unsecured - suppliers / contractors | 69,914 | 102,201 |
| | 75,732 | 109,324 |
| | 113,486 | 138,025 |

23.1 These advances are secured against employee terminal benefits.

## 24 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Unsecured - considered good | | | |
| Short term prepayments | | 25,038 | 52,998 |
| Other receivables | 24.1 | 321,638 | 311,254 |
| | | 346,676 | 364,252 |
| Less: allowance for expected credit losses against other receivables | 24.2 | 168,008 | 168,008 |
| | | 178,668 | 196,244 |

24.1 This includes Rs. 59.47 million (June 30, 2025: Rs. 59.90 million) due from SIHT (Private) Limited. Maximum amount due from SIHT (Private) Limited at the end of any month during the period was Rs. 132.08 million (June 30, 2025: Rs. 148.88 million).

### 24.2 Allowance for expected credit losses against other receivables (unrelated parties)

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Balance at beginning of the period | | 168,008 | 76,317 |
| Charged during the period | | - | 91,691 |
| Balance at end of the period | | 168,008 | 168,008 |

## 25 OTHER FINANCIAL ASSETS

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Investment in Term Deposit Receipt - at amortised cost | 25.1 | 3,000 | 3,000 |
| Investment in Mutual Fund - at fair value through profit or loss | 25.2 | 1,053,347 | 1,003,355 |
| | | 1,056,347 | 1,006,355 |



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25.1 This represents term deposit receipt (TDR) having face value of Rs. 3 million (June 30, 2025: Rs. 3 million) with three months maturity. Profit payable on monthly basis at the weighted average rate of 9.47% (June 30, 2025: 11.17%).

25.2 This represents investment in 2,175,860 (June 30, 2025: 2,175,860) and 76,983,043 (June 30, 2025: 76,983,043) units of UBL Al-Ameen Islamic Cash Fund and NBP Islamic Money Market Fund, respectively. Fair value of the investment was determined using quoted repurchase price at year end.

## 26 CASH AND BANK BALANCES

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Cash at bank in: | | | |
| Current accounts: | | | |
| Local currency | | 455,220 | 570,771 |
| Foreign currency | | - | 365,160 |
| | | 455,220 | 935,931 |
| Savings accounts: | | | |
| Local currency | | 1,486,391 | 2,561,048 |
| Foreign currency | | 280 | 284 |
| | 26.1 | 1,486,671 | 2,561,332 |
| | 26.2 | 1,941,891 | 3,497,263 |
| Cash in hand | | 28,507 | 14,551 |
| | | 1,970,398 | 3,511,814 |

26.1 Balances with savings accounts earned profit / mark-up at weighted average rate of 9.08% per annum (June 30, 2025: 13.43% per annum).

26.2 Balances with banks includes Rs. 148.43 million (June 30, 2025: Rs. 144.58 million) in respect of security deposits (Note 11.3).

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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **27 REVENUE - NET** | | | |
| Inpatients | | 9,827,933 | 17,581,470 |
| Outpatients | | 5,239,331 | 9,780,501 |
| Other services | 27.1 | 448,082 | 810,716 |
| | | 15,515,346 | 28,172,687 |
| Less: discount | | 73,629 | 112,414 |
| Less: sales tax | | 55,076 | 92,612 |
| | | 128,705 | 205,026 |
| | | 15,386,641 | 27,967,661 |

27.1 This represents revenue from external pharmacy outlets, cafeteria sales and operating leases to related parties / other parties.

27.2 The revenue-net is excluding of physician share of Rs. 1,749.77 million (June 30, 2025: Rs. 2,910.43 million).

| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **28 OTHER INCOME** | | |
| **Income from financial assets:** | | |
| Profit on bank balances | 105,642 | 185,262 |
| Dividend income from mutual fund - investments at fair value through profit or loss | - | 27,690 |
| Un-realised gain on investments at fair value through profit or loss | 49,992 | 25,803 |
| Dividend income from subsidiary | - | 50,926 |
| | 155,634 | 289,681 |
| **Income from other than financial assets:** | | |
| Gain on disposal of property, plant and equipment | 755 | 2,500 |
| Exchange gain on foreign currency translation | 9,949 | 7,199 |
| Sale of scrap - net of sales tax | 7,477 | 13,147 |
| Miscellaneous | 18,529 | 90,295 |
| | 36,710 | 113,141 |
| | 192,344 | 402,822 |



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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **29 OPERATING COSTS** | | | |
| Salaries, wages and benefits | 29.1 | 5,124,943 | 8,869,196 |
| Medicines consumed | 29.2 | 3,483,748 | 6,700,403 |
| Supplies consumed | | 1,599,748 | 3,023,211 |
| Utilities | | 812,488 | 1,352,916 |
| Depreciation / amortisation | 15 | 557,104 | 1,090,495 |
| Repairs and maintenance | | 517,274 | 1,251,342 |
| Rates and taxes | | 18,802 | 395,357 |
| Cleaning and washing | | 142,732 | 271,309 |
| Printing and stationery | | 77,138 | 198,154 |
| Fee, subscription and membership | | 80,734 | 142,784 |
| Travelling and conveyance | | 48,589 | 60,432 |
| Communication | | 31,598 | 59,956 |
| Advertising and sales promotion | | 20,733 | 41,358 |
| Legal and professional | | 24,015 | 39,511 |
| Rent | | 24,053 | 26,218 |
| Insurance | | 18,130 | 23,327 |
| Property, plant and equipment written off | | 2,202 | 75,709 |
| Loss on disposal of investment property | | - | 7,340 |
| Auditors' remuneration | 29.3 | 2,150 | 4,498 |
| Amortisation on intangible assets | 16 | 5,274 | 3,515 |
| Charged / (reversal) of provision for slow moving stores | | (1,078) | 2,671 |
| Miscellaneous | | 36,867 | 97,812 |
| | | 12,627,243 | 23,737,514 |

29.1 This includes charge for employee gratuity of Rs. 70.53 million (June 30, 2025: Rs. 102.04 million), defined contribution plan (pension) of Rs. 88.82 million (June 30, 2025: Rs. 129.23 million), compensated absences of Rs. 81.56 million (June 30, 2025: Rs. 136.52 million) and bonus of Rs. 169.65 million (June 30, 2025: Rs. 302.79 million).

29.2 This includes stock in trade amounting to Rs. 9.02 million (June 30, 2025: Rs. 6.44 million) written off during the period.

| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **29.3 Auditors' remuneration** | | |
| Annual audit fee | 769 | 1,881 |
| Half yearly review fee | 1,138 | 990 |
| Statutory certifications | - | 745 |
| Out of pocket expenses | 241 | 340 |
| | 2,148 | 3,956 |



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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Sales tax | | 2 | 542 |
| | | 2,150 | 4,498 |

## 30 FINANCE COSTS

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| Markup on long term loans - secured | | 62,368 | 145,775 |
| Interest on lease liabilities | 10 | 69,578 | 111,146 |
| Credit card payment collection and bank charges | | 47,181 | 96,911 |
| | | 179,127 | 353,832 |

## 31 INCOME TAX EXPENSE / LEVIES

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| Current tax | | | |
| - for the period / year | | 1,081,995 | 1,736,264 |
| - prior period / year | | - | 147,519 |
| | 31 | 1,081,995 | 1,883,783 |
| Deferred tax expense | | (24,475) | (78,047) |
| | | 1,057,520 | 1,805,736 |

31.1 Reconciliation between current tax charged under the Ordinance with current tax recognised in the unconsolidated statement of profit or loss, is as follows:

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Current tax liability for the year as per the Ordinance | | | |
| Portion of current tax liability as per tax law, representing income tax under IAS-12 | | 1,081,995 | 1,876,860 |
| Portion of current tax liability as per tax law, representing levy in term of requirement of IFRIC-21 / IAS-37 | 31.2 | - | 6,923 |
| | | 1,081,995 | 1,883,783 |

31.2 This represents portion of final tax paid as per the Ordinance, representing levy in terms of requirements of IFRIC-21 / IAS-37.

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| 31.3 Reconciliation of tax charge for the period / year: | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| Profit before levies and income tax (Rupees in '000') | 2,675,341 | 4,134,716 |
| Income tax expense / levies (Rupees in '000') | 1,057,520 | 1,805,736 |
| Effective tax rate (percentage) | 39.53% | 43.67% |

| Reconciliation of effective tax rate | ---- Percentage ---- | |
|---|---|---|
| Applicable tax rate | 29.00% | 29.00% |
| Add: super tax | 10.00% | 10.00% |
| Add: net tax effects of amounts that are inadmissible for tax purposes / others | 13.60% | 20.75% |
| Less: net tax effect of amounts that are deductible for tax purposes / others | 13.07% | 16.08% |
| Average effective tax rate charged on income | 39.53% | 43.67% |

## 32 EARNINGS PER SHARE - BASIC AND DILUTED

| | ---- Rupees in '000' ---- | |
|---|---|---|
| Profit for the period / year | 1,617,821 | 2,328,980 |
| | **---- Number in '000' ----** | |
| Weighted average number of ordinary shares outstanding during the period / year | 63,214 | 63,214 |
| | **----- Rupees -----** | |
| Earnings per share - basic and diluted | 25.59 | 36.84 |

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

## 33 CAPACITY UTILISATION

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

| | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|---|---|
| | Available bed days | | Occupied bed days | | Occupancy ratio | |
| H-8 Hospital Islamabad | 91,029 | 180,196 | 58,384 | 114,543 | 64.14% | 63.57% |
| Faisalabad Hospital | 10,488 | 20,805 | 3,497 | 6,957 | 33.34% | 33.44% |

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



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## 34 UNAVAILED CREDIT FACILITIES

Unavailed credit facilities at period end other than those disclosed in note 8 of the unconsolidated financial statements are as under:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Letter of credit | 200,000 | 193,485 |
| Diminishing musharakah | 102,689 | 310,482 |
| Ijarah financing | 51,709 | 51,709 |
| Running musharakah | 500,000 | 500,000 |
| Letter of guarantee | 27,963 | 30,368 |
| | 882,361 | 1,086,044 |

## 35 NUMBER OF EMPLOYEES

| | ---- Number ---- | |
|---|---|---|
| Number of employees | 5,948 | 5,627 |
| Average number of employees | 5,795 | 5,490 |

## 36 RELATED PARTIES TRANSACTIONS

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

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

Related parties transactions are based on the per pricing policy approved by the board of directors of the SIHL. Transactions and balances with the related parties are given below:

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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Shifa Foundation:** | | | |
| **Transactions:** | | | |
| Revenue from medical and other services earned by the Company | | 29,736 | 24,062 |
| Revenue from rent earned by the Company | | 720 | 1,373 |
| Acquisition of 234,423 (June 30, 2025: 937,680) ordinary shares of SIHT (Private) Limited | | 75,000 | 300,000 |
| **Balance:** | | | |
| Receivable - unsecured at the period end | | 41,767 | 14,422 |
| **Tameer-e-Millat Foundation:** | | | |
| **Transactions:** | | | |
| Supplies provided to the Company | | 35,437 | 81,787 |
| Other services provided to the Company | 36.1 | 12,726 | 28,755 |
| Rental services received / earned by the Company | | 7,996 | 14,418 |
| **Balance:** | | | |
| Payable - unsecured at the period end | | 7,120 | 4,186 |
| **Shifa Tameer-e-Millat University:** | | | |
| **Transactions:** | | | |
| Revenue from medical and other services earned by the Company | | 14,175 | 26,063 |
| Revenue from rent earned by the Company | | 1,755 | 4,256 |
| Other services provided to the Company | 36.1 | 49,098 | 84,924 |
| Expenses paid and reimbursed to the Company | | 835 | 20,487 |
| Expenses paid and reimbursed by the Company | | - | 29,788 |
| **Balance:** | | | |
| Payable - unsecured at the period end | | 83,106 | 42,798 |
| **SIHT (Private) Limited:** | | | |
| **Transactions:** | | | |
| Share in revenue earned and other services provided by the Company | | 451,269 | 770,121 |
| Expenses paid and reimbursed to the Company | | 2,596 | 4,534 |
| Other services provided to the Company | 36.1 | - | 3,544 |
| **Balance:** | | | |
| Receivable - unsecured at the period end | | 59,466 | 59,898 |



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| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Shifa Cooperative Housing Society Limited:** | | |
| **Transactions:** | | |
| Plot maintenance charges paid by the Company | 1,065 | 2,571 |
| **Balance:** | | |
| Receivable / (payable) - unsecured at the period end | - | - |
| **Shifa National Hospital Faisalabad (Private)** | | |
| **Transactions:** | | |
| Investment made by the Company in 105,082,149 (June 30, 2025: 55,509,426) ordinary shares | 1,050,822 | 555,094 |
| **Balance:** | | |
| Receivable / (payable) - unsecured at the period end | - | - |
| **Shifa Neuro Sciences Institute Islamabad (Private) Limited (Amalgamated Company):** | | |
| **Transactions:** | | |
| Rent paid by the Company | - | 93,690 |
| Dividend income received by the Company | - | 50,926 |
| **Balance:** | | |
| Receivable - unsecured at the period end | - | - |
| **International Finance Corporation:** | | |
| **Transactions** | | |
| Dividend paid by the Company | - | 18,964 |
| **Balance:** | | |
| Receivable / (payable) - unsecured at the period end | - | - |
| **SIHL Employees' Gratuity Fund Trust:** | | |
| **Transactions** | | |
| Payments made by the Company | 116,842 | 215,360 |
| Dividend paid by the Company | - | 196 |
| **Balance:** | | |
| Payable - unsecured at the period end | 56,416 | 102,728 |
| **Remuneration including benefits and perquisites of key management personnel** 36.2 | 369,876 | 523,268 |



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36.1 This represents services of nursing education, employees' children education and media services.

36.2 This includes employee retirement benefits amounting to Rs. 12.32 million (June 30, 2025: Rs. 19.09 million).

36.3 Following is the list of related parties and their shareholding for the period ended December 31, 2025:

| 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* | 6.57% |
| 2 | Tameer-e-Millat Foundation | Common Directorship | N/A | 12.44% |
| 3 | SIHL Employees' Gratuity Fund Trust | Benefit Plan | N/A | 0.12% |
| 4 | Shifa Tameer-e-Millat University | Common Directorship | N/A | 0.27% |
| 5 | Shifa Development Services (Private) Limited | Subsidiary & Common Directorship | 55% | Nil |
| 6 | Shifa Cooperative Housing Society Limited | Common Directorship | N/A | Nil |
| 7 | Shifa National Hospital Faisalabad (Private) Limited | Subsidiary & Common Directorship | 60% | Nil |
| 8 | Shifa Medical Centre Islamabad (Private) Limited | Subsidiary & Common Directorship | 99% | Nil |
| 9 | Shifa CARE (Private) Limited | Associate & Common Directorship | 50% | Nil |
| 10 | SIHT (Private) Limited | Associate & Common Directorship | 50% | Nil |
| 11 | International Finance Corporation (IFC) | Associate | Nil | 12.00% |
| 12 | Ahmed E.H. Jaffer Foundation | Common Directorship | N/A | Nil |

*N/A stands for not applicable.

## 37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these unconsolidated 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 | |
|---|---|---|---|---|---|---|---|---|
| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
| | (Rupees in '000') | | | | | | | |
| Managerial remuneration | 24,723 | 45,167 | 19,629 | 30,195 | 8,846 | 14,412 | 546,760 | 759,047 |
| Bonus | 1,997 | 2,145 | 1,362 | 1,221 | 290 | 331 | 37,257 | 26,703 |
| Defined contribution plan | 1,401 | 2,598 | 956 | 1,532 | - | - | 27,099 | 35,586 |
| Medical insurance | - | 125 | - | 94 | - | 277 | 2,521 | 6,684 |
| Leave encashment | 984 | 1,969 | - | 1,112 | - | - | 17,311 | 17,421 |
| | 29,105 | 52,004 | 21,947 | 34,154 | 9,136 | 15,020 | 630,948 | 845,441 |
| Number of persons | 1 | 1 | 1 | 1 | 9 | 9 | 193 | 147 |

37.1 The chief executive, executive director and eligible executives are provided with Company maintained vehicle.

37.2 Managerial remuneration includes Rs. 9.30 million (June 30, 2025: Rs. 8.70 million) paid to directors in respect of meeting fee.

37.3 Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.20 million (June 30, 2025: Rs. 1.20 million) during the period.

37.4 Travelling and other expenses of Rs. 29.38 million (June 30, 2025: Rs. 20.28 million) for official purposes are reimbursed by the Company to directors.

## 38 CASH AND CASH EQUIVALENTS

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Investment in Term Deposit Receipt - at amortised cost | 25 | 3,000 | 3,000 |
| Cash and bank balances | 26 | 1,970,398 | 3,511,814 |
| | | 1,973,398 | 3,514,814 |



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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 | Un-appropriated profits | Total |
| | (Rupees in '000') | | | | | | |
| **December 31, 2025** | | | | | | | |
| **Balance at the beginning of the period** | 1,101,583 | 7,025 | 699,419 | 632,144 | 2,738,888 | 9,830,602 | 15,009,660 |
| **Changes from financing cash flows** | | | | | | | |
| Proceeds from long term financing | 253,724 | - | - | - | - | - | 253,724 |
| Repayments of long term financing | (136,667) | - | - | - | - | - | (136,667) |
| Payment of lease liabilities | - | - | (150,998) | - | - | - | (150,998) |
| Dividend paid | - | - | - | - | - | (299,005) | (299,005) |
| Total changes from financing cash flows | 117,057 | - | (150,998) | - | - | (299,005) | (332,946) |
| **Other changes** | | | | | | | |
| Liability related | 4,343 | - | 628,055 | - | - | - | 632,398 |
| Amortisation of government grant | - | (4,343) | - | - | - | - | (4,343) |
| Equity related | | | | | | | |
| Total comprehensive changes | - | - | - | - | - | 1,617,821 | 1,617,821 |
| Other changes | - | - | - | - | - | 6,976 | 6,976 |
| Changes in unclaimed dividend | - | - | - | - | - | (17,067) | (17,067) |
| Total of equity related changes | - | - | - | - | - | 1,607,730 | 1,607,730 |
| **Balance at the end of the period** | 1,222,984 | 2,682 | 1,176,476 | 632,144 | 2,738,888 | 11,139,327 | 16,912,499 |
| **June 30, 2025** | | | | | | | |
| **Balance at the beginning of the period** | 1,052,208 | 22,743 | 793,646 | 632,144 | 2,738,888 | 7,624,157 | 12,863,785 |
| **Changes from financing cash flows** | | | | | | | |
| Proceeds from long term financing | 537,704 | - | - | - | - | - | 537,704 |
| Repayments of long term financing | (504,047) | - | - | - | - | - | (504,047) |
| Payment of lease liabilities | - | - | (329,771) | - | - | - | (329,771) |
| Dividend paid | - | - | - | - | - | (153,831) | (153,831) |
| Total changes from financing cash flows | 33,658 | - | (329,771) | - | - | (153,831) | (449,945) |
| **Other changes** | | | | | | | |
| Liability related | 15,718 | - | 235,544 | - | - | - | 251,262 |
| Amortisation of government grant | - | (15,718) | - | - | - | - | (15,718) |
| Equity related | | | | | | | |
| Total comprehensive changes | - | - | - | - | - | 2,278,160 | 2,278,160 |
| Transfer upon merger | - | - | - | - | - | 60,533 | 60,533 |
| Other changes | - | - | - | - | - | 25,788 | 25,788 |
| Changes in unclaimed dividend | - | - | - | - | - | (4,205) | (4,205) |
| Total of equity related changes | - | - | - | - | - | 2,360,276 | 2,360,276 |
| **Balance at the end of the period** | 1,101,583 | 7,025 | 699,419 | 632,144 | 2,738,888 | 9,830,602 | 15,009,660 |



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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **40 ADJUSTMENT OF NON - CASH INCOME AND EXPENSE** | | | |
| Depreciation / amortisation | 29 | 557,104 | 1,090,495 |
| Amortisation on intangible assets | 29 | 5,274 | 3,515 |
| Expected credit losses | 41.1.3 | 97,274 | 144,421 |
| Property, plant and equipment written off | 29 | 2,202 | 75,709 |
| Gain on disposal of tangible assets | 28 | (755) | (2,500) |
| Loss on disposal of investment property | 29 | - | 7,340 |
| Gain on termination of right to use assets | | - | (29,371) |
| Provision for compensated absences | 29 | 81,557 | 136,518 |
| Provision for defined contribution plan | 29 | 88,823 | 129,225 |
| Provision for bonus for employees | 29 | 169,646 | 302,795 |
| Provision for gratuity | 29 | 70,529 | 102,043 |
| (Reversal) / charge of provision for slow moving | 29 | (1,078) | 2,671 |
| Gain on investments and bank deposits | 28 | (155,634) | (289,681) |
| Gain on foreign currency translation | 28 | (9,949) | (7,199) |
| Finance costs | 30 | 179,127 | 353,832 |
| | | 1,084,120 | 2,019,813 |

## 41 FINANCIAL RISK MANAGEMENT

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

- Credit risk;
- Liquidity risk; and
- Market risk.

### Risk management framework

The Board meets frequently throughout the period for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse 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.

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### 41.1 Credit risk

Credit risk represents the financial loss that would be recognised 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.

#### 41.1.1 Exposure to credit risk

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

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Long term deposits | 106,603 | 105,003 |
| Trade debts | 2,313,210 | 1,461,456 |
| Deposits and other receivables | 153,630 | 143,246 |
| Markup accrued | 14,156 | 19,219 |
| Other financial assets | 1,056,347 | 1,006,355 |
| Bank balances | 1,941,891 | 3,497,263 |
| | 5,585,837 | 6,232,542 |

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

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

#### 41.1.2 Counterparties

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

**Trade debts**

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

**Bank balances and investments**

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



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

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Government companies | 1,648,807 | 1,004,186 |
| Private companies | 542,561 | 396,193 |
| Individuals | 417,281 | 340,532 |
| Related parties | 41,767 | 14,422 |
| | 2,650,416 | 1,755,333 |

### 41.1.3 Impairment losses

The ageing of trade debts at the reporting date was:

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | Gross debt | Allowance for ECL | Gross debt | Allowance for ECL |
| | -------------- (Rupees in '000') -------------- | | | |
| Not past due | 871,657 | 10,037 | 592,897 | 4,566 |
| 1 - 2 months | 833,204 | 37,121 | 463,688 | 13,068 |
| 3 - 4 months | 358,708 | 19,711 | 139,545 | 7,889 |
| 5 - 7 months | 151,135 | 27,772 | 123,122 | 17,642 |
| 8 - 12 months | 83,163 | 24,090 | 110,930 | 46,906 |
| Above 12 months | 352,549 | 218,475 | 325,151 | 203,806 |
| | 2,650,416 | 337,206 | 1,755,333 | 293,877 |

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

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Balance at beginning of the period | | 293,877 | 241,147 |
| Expected credit losses | | 97,274 | 52,730 |
| Bad debts written off | | (53,945) | - |
| Balance at end of the period | 22 | 337,206 | 293,877 |

41.1.4 The ageing of Shifa Foundation (SF) and SIHT (Private) Limited at the reporting date was:

| | Note | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|---|
| | | Gross debt | Allowance for ECL | Gross debt | Allowance for ECL |
| | | -------------- (Rupees in '000') -------------- | | | |
| **Shifa Foundation** | | | | | |
| 1 - 6 months | 22 | 41,767 | | 14,422 | - |
| **SIHT** | | | | | |
| 1 - 3 months | 24.1 | 59,466 | | 59,898 | - |

41.1.5 The Company maintained balances of Rs. 1,941.89 million (June 30, 2025: Rs. 3,497.26 million) with Banks and Rs. 1,053.35 million (June 30, 2025: Rs. 1,003.36 million) with Asset Management Companies as at December 31, 2025. Management has assessed the credit quality of the counterparties as satisfactory. Geographical analysis and credit rating information is given below:

| Bank / financial institution | Credit rating agency | Rating Short term | Rating Long term | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|---|
| | | | | (Rupees in '000') | |
| **Pakistan:** | | | | | |
| Habib Bank Limited | JCR - VIS | A1+ | AAA | 263,542 | 637,091 |
| Meezan Bank Limited | JCR - VIS | A1+ | AAA | 152,758 | 281,707 |
| Al - Baraka Bank (Pakistan) Limited | JCR - VIS | A1 | AA- | 1,253,760 | 1,970,854 |
| United Bank Limited (UBL) | JCR - VIS | A1+ | AAA | 2,301 | 21,062 |
| MCB Bank Limited | PACRA | A1 | A+ | 582 | 19,260 |
| Dubai Islamic Bank | JCR - VIS | A1+ | AA | 889 | 83,241 |
| Askari Bank Limited | PACRA | A1+ | AA+ | 2 | 14 |
| Faysal Bank Limited | JCR - VIS | A1+ | AA+ | 7,755 | 37,032 |
| Bank Alfalah Limited | PACRA | A1+ | AAA | 6,424 | 48,196 |
| Bank Al Habib Limited | PACRA | A1+ | AAA | 190,035 | 384,791 |
| National Bank of Pakistan (NBP) | JCR - VIS | A1+ | AAA | 1,991 | 13,890 |
| Habib Metropolitan Bank Limited | PACRA | A1+ | AA+ | 61,852 | 126 |
| UBL - Al Ameen Islamic Cash Fund | JCR - VIS | - | AA+(f) | 231,284 | 220,283 |
| NBP Islamic Money Market Fund | PACRA | - | AA(f) | 822,063 | 783,072 |

## 41.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose the Company has credit facilities as mentioned in notes 8 and 34 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') ----------------- | | | | | |
| **December 31, 2025** | | | | | | |
| Long term financing-secured | 1,225,666 | 118,795 | 138,377 | 317,260 | 651,234 | - |
| Deferred liabilities | 53,286 | - | - | 53,286 | - | - |
| Trade and other payables | 4,657,416 | 4,657,416 | - | - | - | - |
| Unclaimed dividend | 66,002 | 66,002 | - | - | - | - |
| Mark up accrued | 7,427 | 7,427 | - | - | - | - |
| | 6,009,797 | 4,849,640 | 138,377 | 370,546 | 651,234 | - |
| **June 30, 2025** | | | | | | |
| Long term financing-secured | 1,108,609 | 136,369 | 118,795 | 276,752 | 546,986 | 29,707 |
| Deferred liabilities | 44,846 | - | - | 44,846 | - | - |
| Trade and other payables | 3,932,341 | 3,932,341 | - | - | - | - |
| Unclaimed dividend | 48,935 | 48,935 | - | - | - | - |
| Mark up accrued | 7,974 | 7,974 | - | - | - | - |
| | 5,142,705 | 4,125,619 | 118,795 | 321,598 | 546,986 | 29,707 |



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Maturity analysis of lease liabilities is given in note 10.

## 41.3 Market risk

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

### 41.3.1 Foreign currency risk

**Exposure to foreign currency risk**

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

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | (Amount in '000') | | | |
| | USD | Rupees | USD | Rupees |
| Bank balances | 1 | 280 | 1,289 | 365,444 |
| Letter of credit | 351 | 98,484 | - | - |
| | 352 | 98,764 | 1,289 | 365,444 |

The following significant exchange rates applied:

| | Average rate | | Closing rate | |
|---|---|---|---|---|
| | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 |
| | (Rupees) | | | |
| **USD 1 - Buying** | 281.44 | 279.14 | 279.85 | 283.53 |
| **USD 1 - Selling** | 281.87 | 279.57 | 280.28 | 283.97 |

**Foreign currency sensitivity analysis**

A ten percent variation of PKR against USD at December 31 would have effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular markup rates, remains constant.

| | Change in Forex Rate | Effect on Profit | Effect on Equity |
|---|---|---|---|
| | % | (Rupees in '000') | |
| **December 31, 2025** | | | |
| Foreign currencies | +10% | 6,025 | 6,025 |
| Foreign currencies | -10% | (6,025) | (6,025) |



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| | Change in Forex Rate | Effect on Profit | Effect on Equity |
|---|---|---|---|
| | % | (Rupees in '000') | |
| **June 30, 2025** | | | |
| Foreign currencies | +10% | 22,292 | 22,292 |
| Foreign currencies | -10% | (22,292) | (22,292) |

### 41.3.2 Markup rate risk

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

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Financial assets** | | | |
| Investment - at amortised cost | 25.1 | 3,000 | 3,000 |
| Bank balances | 26 | 1,486,671 | 2,561,332 |
| | | 1,489,671 | 2,564,332 |
| **Financial liabilities** | | | |
| Financing - secured | 8 | (1,225,666) | (1,108,609) |
| | | 264,005 | 1,455,723 |

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 period ended December 31, 2025 would decrease / increase by Rs. 0.26 million (June 30, 2025: decrease / increase by Rs. 0.40 million). This is mainly attributable to the Company's exposure to markup rates on its variable rate borrowings.

### 41.3.3 Price risk

The Company's price risk arises from investments in units as disclosed in note 25.2 which are designated at fair value through profit or loss, however, in accordance with the investment strategy the performance of units is actively monitored and they are managed on a fair value basis.

**Price risk sensitivity analysis**

If the fair value of mutual fund investments at the year end had fluctuated by 1% higher or lower, with all other variables held constant, the profit after taxation for the period would have been higher or lower by Rs. 6.42 million (June 30, 2025: Rs. 6.12 million), primarily due to changes in the fair value of investments.



BDO E & Co.

### 41.4 Financial instrument by category

| | Amortised cost | Fair value through profit or loss | Total |
|---|---|---|---|
| | ------- (Rupees in '000') ------- | | |
| **December 31, 2025** | | | |
| **Financial assets** | | | |
| **Maturity upto one year** | | | |
| Trade debts | 2,313,210 | - | 2,313,210 |
| Deposits and other receivables | 153,630 | - | 153,630 |
| Markup accrued | 14,156 | - | 14,156 |
| Other financial assets | 3,000 | 1,053,347 | 1,056,347 |
| Cash and bank balances | 1,970,398 | - | 1,970,398 |
| **Maturity after one year** | | | |
| Long term deposits | 106,603 | - | 106,603 |
| | 4,560,997 | 1,053,347 | 5,614,344 |
| **Financial liabilities** | | | |
| **Maturity upto one year** | | | |
| Trade and other payables | 4,657,416 | - | 4,657,416 |
| Unclaimed dividend | 66,002 | - | 66,002 |
| Markup accrued | 7,427 | - | 7,427 |
| Current portion of long term financing - secured | 257,150 | - | 257,150 |
| Current portion of lease liabilities | 230,301 | - | 230,301 |
| **Maturity after one year** | | | |
| Long term financing - secured | 968,516 | - | 968,516 |
| Deferred liabilities | 53,286 | - | 53,286 |
| Lease liabilities | 946,175 | - | 946,175 |
| | 7,186,273 | - | 7,186,273 |
| **June 30, 2025** | | | |
| **Financial assets** | | | |
| **Maturity upto one year** | | | |
| Trade debts | 1,461,456 | - | 1,461,456 |
| Deposits and | 143,246 | - | 143,246 |
| Markup accrued | 19,219 | - | 19,219 |
| Other financial assets | 3,000 | 1,003,355 | 1,006,355 |
| Cash and bank balances | 3,511,814 | - | 3,511,814 |
| **Maturity after one year** | | | |
| Long term deposits | 105,003 | - | 105,003 |
| | 5,243,738 | 1,003,355 | 6,247,093 |



BDOE&Co.

| | Amortised cost | Fair value through profit or loss | Total |
|---|---|---|---|
| | ------- (Rupees in '000') ------- | | |
| **Financial liabilities** | | | |
| **Maturity upto one year** | | | |
| Trade and other payables | 3,932,341 | - | 3,932,341 |
| Unclaimed dividend | 48,935 | - | 48,935 |
| Markup accrued | 7,974 | - | 7,974 |
| Current portion of long term financing - secured | 255,190 | - | 255,190 |
| Current portion of lease liabilities | 192,895 | - | 192,895 |
| **Maturity after one year** | | | |
| Long term financing - secured | 853,419 | - | 853,419 |
| Deferred liabilities | 44,846 | - | 44,846 |
| Lease liabilities | 506,524 | - | 506,524 |
| | 5,842,124 | - | 5,842,124 |

## 41.5 Fair value

**Fair value versus carrying amounts**

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

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | Carrying value | Fair value | Carrying value | Fair value |
| | ------------ Rupees in '000' ------------ | | | |
| **Assets carried at amortised cost** | | | | |
| Long term deposits | 106,603 | 106,603 | 105,003 | 105,003 |
| Trade debts | 2,313,210 | 2,313,210 | 1,461,456 | 1,461,456 |
| Deposits and other receivables | 153,630 | 153,630 | 143,246 | 143,246 |
| Markup accrued | 14,156 | 14,156 | 19,219 | 19,219 |
| Other financial assets | 3,000 | 3,000 | 3,000 | 3,000 |
| Cash and bank balances | 1,970,398 | 1,970,398 | 3,511,814 | 3,511,814 |
| | 4,560,997 | 4,560,997 | 5,243,738 | 5,243,738 |
| **Assets carried at fair value** | | | | |
| Other financial assets | 1,053,347 | 1,053,347 | 1,003,355 | 1,003,355 |
| **Liabilities carried at amortised cost** | | | | |
| Long term financing - secured | 968,516 | 968,516 | 853,419 | 853,419 |
| Deferred Liabilities | 53,286 | 53,286 | 44,846 | 44,846 |
| Lease liabilities | 946,175 | 946,175 | 506,524 | 506,524 |

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | Carrying value | Fair value | Carrying value | Fair value |
| | ------------ Rupees in '000' ------------ | | | |
| Trade and other payables | 4,657,416 | 4,657,416 | 3,932,341 | 3,932,341 |
| Unclaimed dividend | 66,002 | 66,002 | 48,935 | 48,935 |
| Markup accrued | 7,427 | 7,427 | 7,974 | 7,974 |
| Current portion of long term financing - secured | 257,150 | 257,150 | 255,190 | 255,190 |
| Current portion of lease liabilities | 230,301 | 230,301 | 192,895 | 192,895 |
| | 7,186,273 | 7,186,273 | 5,842,124 | 5,842,124 |

The basis for determining fair values are as follows:

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

## 42 FAIR VALUE HIERARCHY

**Other financial assets**

Fair value of investment in mutual funds (note 25.2) has been determined using quoted repurchase price at reporting date and categorised under level 1 of fair value hierarchy.

**Fair value of land**

Lands owned by the Company are valued by independent valuer 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 period. Further, there were no changes in the valuation techniques during the period.

## 43 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSBILE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O 1278(I)/2024 dated August 15, 2024:

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Statement of Financial Position** | | | |
| Long term financing (including current portion) obtained as per islamic mode | 8 | 1,195,670 | 1,058,622 |
| Accrued markup on conventional loan | | - | - |
| Long term shariah compliant investments | 18 | 6,971,093 | 4,522,553 |
| Short term shariah compliant investments | 25 | 1,053,347 | 1,003,355 |
| Shariah compliant bank balances | 26 | 1,545,860 | 2,442,121 |



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| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Statement of Comprehensive Income** | | | |
| Net revenue earned from shariah compliant business segment | 27 | 15,386,641 | 27,967,661 |
| Late payments or liquidated damages | | Not applicable | Not applicable |
| Gain on investment and dividend earned on shariah compliant investments | 28 | 49,992 | 104,419 |
| Profit earned from shariah compliant bank balances | 28 | 99,362 | 177,098 |
| Exchange gain earned from actual currency | 28 | 9,949 | 7,199 |
| Exchange gain earned on conventional derivative financial instruments | | Not applicable | Not applicable |
| Profit paid on islamic mode of financing | 30 | 61,941 | 145,023 |
| Interest earned on conventional loan or advance | | Not applicable | Not applicable |
| **Source and detailed breakup of other income** | | | |
| **Shariah compliant** | | | |
| Unrealised gain on investments at fair value through profit or loss | 28 | 49,992 | 25,803 |
| Others | 28 | 125,317 | 332,195 |
| **Non-compliant income** | | | |
| Profit on bank balances | 28 | 6,280 | 8,164 |
| Others | 28 | 10,755 | 36,660 |

**Relationship with shariah compliant financial institutions / takaful operators**

The Company maintains relationship with banks having Islamic window of operations in respect of bank balances amounting to Rs. 1,545.86 million (June 30, 2025: Rs. 2,442.12 million) and availed borrowing facilities from banks / financial institution amounting to Rs. 1,195.67 million (June 30, 2025: Rs. 1,058.62 million). The Company also has relationship with shariah compliant Asset Management Companies (AMCs), in respect of investment in mutual funds amounting to Rs. 1,053.35 million (June 30, 2025: Rs. 1,003.36 million). Further, the Company has takaful relationship with EFU General Insurance Limited and Jubilee General Insurance Company Limited.

## 44 OPERATING SEGMENTS

The financial statements have been prepared on the basis of single reportable segment. All revenue of the Company is earned in Pakistan. All non-current assets of the Company at December 31, 2025 are located in Pakistan. There is no segment with more than 10% of total revenue of the Company for the period.

## 45 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. However, there is no significant reclassification during the period.

These financial statements have been prepared for a period of six months from July 01, 2025 to December 31, 2025, whereas the prior period financial statements were prepared for 12 months from July 01, 2024 to June 30, 2025. Hence, both current and corresponding figures are not comparable.

## 46 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue by the board of directors of the Company on April 25, 2026.

## 47 GENERAL

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

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

# SPECIAL PURPOSE FINANCIAL STATEMENTS

## CONSOLIDATED

## FOR SIX MONTH PERIOD ENDED DECEMBER 31, 2025

SHIFA INTERNATIONAL HOSPITALS LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS (CONSOLIDATED)

FOR SIX MONTH PERIOD ENDED DECEMBER 31, 2025

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SHIFA INTERNATIONAL HOSPITALS LIMITED**

**Report on the Audit of the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying special purpose financial statements of **SHIFA INTERNATIONAL HOSPITALS LIMITED** (the Group) which comprise the consolidated statement of financial position as at December 31, 2025, and consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the six months period then ended, and material accounting policy information and other explanatory information.

In our opinion, the special purpose financial statements of the Group for the six months period ended December 31, 2025 are prepared, in all material respects, in accordance with the basis of preparation provided in Note 2 to the special purpose financial statements.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 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.

**Emphasis of Matter-Basis of Preparation**

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of preparation. These special purpose financial statements are prepared to assist the Group to meet the requirements of the section 282(2)(e) of the Companies Act, 2017 in relation to scheme of arrangement for the amalgamation of Shifa medical Center Islamabad (Private) Limited with and into Shifa International hospitals Limited. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

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

Following are the key audit matters:

| Sr. No. | Key audit matters | How the matter was addressed in our audit |
|---|---|---|
| 1. | **Revenue Recognition**<br>(Refer note 29 to the financial statements)<br><br>Revenue consists of inpatient revenue, outpatient revenue, pharmacy, cafeteria, rent of building and other services.<br><br>During the period ended December 31, 2025, the Group recognised aggregate revenue of Rs. 15,386.641 million from rendering of services to inpatients, outpatients, external pharmacy outlets, cafeteria sales and operating leases to related parties/ other parties.<br><br>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions with a large number of customers in various geographical locations and revenue being one of the key performance indicators of the Group. Accordingly, it was considered as a key audit matter. | Our procedures in relation to revenue recognition, amongst others, included:<br>• Understood and evaluated management controls over revenue and verified their validations;<br>• Verified that revenue has been recognised in accordance with the Group's accounting policy and the applicable reporting framework;<br>• Performed verification of sample of revenue transactions with underlying documentation including invoices, agreements, charge-sheets and other relevant underlying documents;<br>• Verified receipts from customers on sample basis against the revenue booked during the period;<br>• Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;<br>• Tested journal entries relating to revenue recognised during the period based on identified risk criteria; and<br>• Assessed the appropriateness of disclosures made in the financial statements related to revenue as required under the applicable reporting framework. |

| Sr. No. | Key audit matters | How the matter was addressed in our audit |
|---|---|---|
| 2. | **Expected credit loss allowance on trade debts**<br>(Refer note 24 to the financial statements)<br><br>The Group has recognised balance of an expected credit loss allowance of Rs. 339.006 million on gross amount of trade debts of Rs. 2,652.216 million as at December 31, 2025.<br><br>Under IFRS 9, the Group is required to recognise expected credit loss allowance for financial assets using Expected Credit Loss (ECL) model. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information etc. We have considered the expected credit loss assessment as a key audit matter due to the significance of estimates and judgments involved. | Our audit procedures in relation to expected credit loss assessment of trade debts, amongst others, included the following:<br>• Understood the management's process for estimating the ECL in relation to trade debts. Assessed and evaluated the assumptions used by the management in determining impairment loss under the ECL model;<br>• Verified appropriateness of ageing, on sample basis, by comparing individual balances with underlying documentation;<br>• Reviewed the appropriateness of assumptions used for ECL computation from relevant external and internal sources;<br>• Circularised balance confirmation for trade debtors on sample basis and evaluated responses received;<br>• Verified subsequent clearance of balances due as of December 31, 2025 on sample basis; and<br>• Assessed the appropriateness of disclosures related to impairment assessment of trade debts as required under the applicable reporting framework. |

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with reporting format provided by the parent entity to assist parent entity in meeting its requirements, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the special purpose 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 the special purpose 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 special purpose 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose 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 those charged with governance 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 those charged with governance, 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.

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

**ISLAMABAD**
**DATED: 25 APRIL 2026**

**BDO EBRAHIM & CO.**
**CHARTERED ACCOUNTANTS**

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2025**

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorised share capital | | | |
| 100,000,000 (June 30, 2025: 100,000,000) ordinary shares of Rs. 10 each | | 1,000,000 | 1,000,000 |
| Issued, subscribed and paid up capital | 5 | 632,144 | 632,144 |
| **Capital reserves** | | | |
| Share premium | 6 | 2,738,888 | 2,738,888 |
| Surplus on revaluation of property, plant and | 7 | 2,736,243 | 2,355,123 |
| **Revenue reserves** | | | |
| Unappropriated profit | | 9,908,831 | 9,203,864 |
| | | 16,016,106 | 14,930,019 |
| **NON - CONTROLLING INTEREST** | 8 | 2,251,104 | 2,967,066 |
| **NON - CURRENT LIABILITIES** | | | |
| Long term financing - secured | 9 | 1,268,516 | 853,419 |
| Deferred liabilities | 10 | 273,232 | 289,268 |
| Lease liabilities | 11 | 946,175 | 506,524 |
| | | 2,487,923 | 1,649,211 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 12 | 5,698,613 | 4,895,138 |
| Unclaimed dividend | | 66,002 | 48,935 |
| Markup accrued | 13 | 8,175 | 7,974 |
| Taxation - net | 14 | 56,970 | 62,833 |
| Current portion of long term financing - secured | 9 | 257,150 | 255,190 |
| Current portion of lease liabilities | 11 | 230,301 | 192,895 |
| | | 6,317,211 | 5,462,965 |
| | | 27,072,344 | 25,009,261 |

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **NON - CURRENT ASSETS** | | | |
| Property, plant and equipment | 16 | 16,500,615 | 14,992,071 |
| Intangible assets | 17 | 37,778 | 42,701 |
| Investment property - at cost | 18 | 624,872 | 624,872 |
| Long term investments | 19 | 812,698 | 740,157 |
| Long term advances | 20 | 804,523 | 324,174 |
| Long term deposits | 21 | 119,662 | 117,961 |
| | | 18,900,148 | 16,841,936 |
| **CURRENT ASSETS** | | | |
| Stores, spare parts and loose tools | 22 | 223,985 | 224,161 |
| Stock in trade | 23 | 937,576 | 959,987 |
| Trade debts | 24 | 2,313,210 | 1,461,456 |
| Loans and advances | 25 | 122,155 | 451,924 |
| Deposits, prepayments and other receivables | 26 | 196,828 | 213,445 |
| Markup accrued | | 14,156 | 19,219 |
| Other financial assets | 27 | 2,126,863 | 1,075,513 |
| Cash and bank balances | 28 | 2,237,423 | 3,761,620 |
| | | 8,172,196 | 8,167,325 |
| | | 27,072,344 | 25,009,261 |

**CONTINGENCIES AND COMMITMENTS** 15

The annexed notes 1 to 49 form an integral part of these special purpose consolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | Note | July 01, 2025 to December 31, | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Revenue - net | 29 | 15,386,641 | 27,967,661 |
| Other income | 30 | 214,573 | 383,202 |
| Operating costs | 31 | (12,660,974) | (23,813,756) |
| Finance costs | 32 | (179,906) | (345,724) |
| Expected credit losses | | (98,686) | (141,016) |
| Share of (loss) / profit of associate | 19 | (2,459) | 16,112 |
| Profit before levies and income tax | | 2,659,189 | 4,066,479 |
| Levies | | - | (7,717) |
| Profit before income tax | | 2,659,189 | 4,058,762 |
| Income tax expense | 33 | (1,060,196) | (1,826,928) |
| Profit for the period | | 1,598,993 | 2,231,834 |
| **Attributable to:** | | | |
| Equity holders of Shifa International Hospitals Limited | | 1,602,044 | 2,257,919 |
| Non-controlling interest | | (3,051) | (26,085) |
| | | 1,598,993 | 2,231,834 |
| Earnings per share - basic and diluted (Rupees) | 34 | 25.34 | 35.72 |

The annexed notes 1 to 49 form an integral part of these special purpose consolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

BDO E Co.

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Profit for the period | 1,598,993 | 2,231,834 |
| **Other comprehensive income:** | | |
| **Items that will not be subsequently reclassified to the consolidated statement of profit or loss:** | | |
| Loss on remeasurement of staff gratuity fund benefit plan (net of tax) | - | (50,820) |
| Surplus on revaluation of land | - | 506,447 |
| Other comprehensive income for the period - net of tax | - | 455,627 |
| Total comprehensive income for the period | 1,598,993 | 2,687,461 |
| **Attributable to:** | | |
| Equity holders of Shifa International Hospitals Limited | 1,602,044 | 2,577,029 |
| Non-controlling interest | (3,051) | 110,432 |
| | 1,598,993 | 2,687,461 |

The annexed notes 1 to 49 form an integral part of these special purpose consolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | Share capital | Share premium | Surplus on revaluation of property, plant and equipment | Un - appropriated profit | Non - controlling interest (NCI) | Total |
|---|---|---|---|---|---|---|
| | (Rupees in '000') | | | | | |
| **Balance as at July 01, 2024** | 632,144 | 2,738,888 | 2,021,310 | 7,118,684 | 2,470,891 | 14,981,917 |
| **Total comprehensive income** | | | | | | |
| Profit / (loss) for the period | - | - | - | 2,257,919 | (26,085) | 2,231,834 |
| Other comprehensive income - net of tax | - | - | 369,930 | (50,820) | 136,517 | 455,627 |
| | - | - | 369,930 | 2,207,099 | 110,432 | 2,687,461 |
| Realisation of revaluation surplus on disposal of assets | - | - | (14,517) | 14,517 | - | - |
| Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation | - | - | (21,600) | 21,600 | - | - |
| NCI recognised during the period | | | | | 385,743 | 385,743 |
| **Distribution to owners** | | | | | | |
| Dividend-final 2024 @ Rs. 2.5 per share | - | - | - | (158,036) | - | (158,036) |
| **Balance as at June 30, 2025** | 632,144 | 2,738,888 | 2,355,123 | 9,203,864 | 2,967,066 | 17,897,085 |
| **Total comprehensive income** | | | | | | |
| Profit / (loss) for the period | - | - | - | 1,602,044 | (3,051) | 1,598,993 |
| Other comprehensive income - net of tax | - | - | - | - | - | - |
| Equity adjustment on acquisition of NCI | - | - | 393,344 | (593,229) | (1,426,844) | (1,626,729) |
| Transfer of revaluation surplus on property, plant and equipment in respect of incremental depreciation | - | - | (12,224) | 12,224 | - | - |
| NCI recognised during the period | - | - | - | - | 713,933 | 713,933 |
| **Distribution to owners** | | | | | | |
| Dividend-final 2025 @ Rs. 5 per share | - | - | - | (316,072) | - | (316,072) |
| **Balance as at December 31, 2025** | 632,144 | 2,738,888 | 2,736,243 | 9,908,831 | 2,251,104 | 18,267,210 |

The annexed notes 1 to 49 form an integral part of these special purpose consolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before levies and income tax | | 2,659,189 | 4,066,479 |
| Adjustment of non-cash income and expense | 42 | 1,077,370 | 2,004,281 |
| Operating cash flows before changes in working capital | | 3,736,559 | 6,070,760 |
| **Changes in working capital:** | | | |
| **(Increase) / decrease in current assets:** | | | |
| Stores, spare parts and loose tools | | 1,254 | 16,746 |
| Stock in trade | | 22,411 | 58,334 |
| Trade debts | | (949,027) | (167,997) |
| Loans and advances | | 24,347 | 2,571 |
| Deposits, prepayments and other receivables | | 16,617 | (41,598) |
| **Increase / (decrease) in current liabilities:** | | | |
| Trade and other payables | | 43,052 | 395,174 |
| | | (841,346) | 263,230 |
| Cash generated from operations | | 2,895,213 | 6,333,990 |
| Finance costs paid | | (110,126) | (258,807) |
| Income tax paid | | (1,090,533) | (1,591,071) |
| Payment to SIHL Employees' Gratuity Fund Trust | | (116,842) | (215,360) |
| Compensated absences paid | | (61,238) | (89,047) |
| Payment to defined contribution plan | | (71,636) | (103,971) |
| Net cash generated from operating activities | | 1,444,838 | 4,075,734 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Addition to property, plant and equipment | | (1,518,786) | (1,581,347) |
| Addition to intangible assets | | - | (5,787) |
| Addition to long term investments | | (75,000) | (300,000) |
| Encashment / (investment) in other financial assets - net | | 627 | (710,537) |
| Proceeds from disposal of property, plant and equipment | | 826 | 5,317 |
| Markup received | | 129,880 | 224,479 |
| Increase in long term advances | | (480,349) | (324,174) |
| (Increase) / decrease in long term deposits | | (1,701) | 5,463 |
| Net cash used in investing activities | | (1,944,503) | (2,686,586) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Non-controlling interest (NCI) | | 713,933 | 385,743 |
| Payment against acquisition of NCI | | (714,699) | - |
| Long term financing - repayments | | (136,667) | (504,047) |
| Proceeds from long term financing | | 553,724 | 537,704 |
| Payment of lease liabilities | | (150,998) | (236,081) |
| Dividend paid | | (299,005) | (153,831) |
| Net cash (used in) / generated from financing activities | | (33,712) | 29,488 |
| Net (decrease) / increase in cash and cash equivalents | | (533,377) | 1,418,636 |
| **Cash and cash equivalents at the beginning of the period** | | 3,809,140 | 2,383,305 |
| Effect of exchange rate changes on cash and cash equivalents | | 9,949 | 7,199 |
| **Cash and cash equivalents at the end of the period** | 40 | 3,285,712 | 3,809,140 |

The annexed notes 1 to 49 form an integral part of these special purpose consolidated financial statements.

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**SHIFA INTERNATIONAL HOSPITALS LIMITED**
**SPECIAL PURPOSE FINANCIAL STATEMENTS**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

## 1 STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited ("the Group") comprises of Shifa International Hospitals Limited (SIHL / parent company) and its subsidiaries, Shifa Development Services (Private) Limited, Shifa National Hospital Faisalabad (Private) Limited and Shifa Medical Center Islamabad (Private) Limited.

SIHL was incorporated in Pakistan on September 29, 1987 as a private limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and converted into a public limited company on October 12, 1989. The shares of the SIHL are quoted on Pakistan Stock Exchange Limited. The registered office of the SIHL is situated at Sector H-8/4, Islamabad. The principal activity of SIHL is to establish and run medical centers and hospitals in Pakistan. The SIHL has established its first hospital in 1993 in H-8/4 Islamabad, second hospital in 2011 in Faisalabad and another in 2014 in G-10/4 Islamabad. The SIHL is also running medical centers, lab collection points and pharmacies in different cities of Pakistan.

Subsequent to the reporting date, the board of directors approved the transfer of SIHL's Faisalabad hospital to Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) effective April 01, 2026. In this regard, the lease of the hospital premises has been novated to SNHF and the related equipment has been leased to SNHF, alongside execution of management and operational services arrangements. As at December 31, 2025, all related assets, liabilities, and lease arrangements continue to be recognised in these financial statements.

Shifa Development Services (Private) Limited (SDSPL) was incorporated in Pakistan on December 18, 2014. The principal activity of SDSPL is to provide consulting services relating to healthcare facility, medical staff, human resource, architectural designing, procurement, hospital quality and project management services. The registered office of SDSPL is situated at Shifa International Hospitals Limited, Sector H-8/4, Islamabad. During the last year, the investment has been fully impaired in view of financial difficulties faced by SDSPL due to which it might not be able to continue its business.

Shifa National Hospital Faisalabad (Private) Limited (SNH Faisalabad) was incorporated in Pakistan on February 28, 2019. The principal line of business of the SNH Faisalabad is to establish, run, control, manage and operate tertiary / quaternary care hospitals including diagnostic centers, clinics, laboratories, operation theaters, dental clinics, healthcare centers and provide all healthcare and surgical related facilities of different diseases, inpatient and outpatient services and treatment of viral, bacterial and chronic diseases and all other related services thereof, subject to permission from relevant authorities, if required. The registered office of the SNH Faisalabad is situated at Shifa International Hospitals Limited, Sector H-8/4, Islamabad.



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Shifa Medical Center Islamabad (Private) Limited (SMC Islamabad) was incorporated in Pakistan on February 28, 2019. The principal line of business of the SMC Islamabad is to establish, run, control, manage and operate facilities providing ambulatory services including day care surgeries, diagnostic centers, clinics, laboratories, operation theaters, dental clinics, healthcare centers and provide healthcare and surgical related facilities of different various, 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.

After the reporting date, the Scheme of Arrangement (the "Scheme"), duly approved by the respective Board of Directors of SIHL and SMC Islamabad, for the merger / amalgamation of SMC Islamabad with and into SIHL has been filed with the Hon'ble Islamabad High Court (the "Court"). Pursuant to the directions of the Court, the Scheme has also been approved by the members of SIHL and SMC Islamabad in their respective Extra Ordinary General Meetings held on April 01, 2026 and April 04, 2026. The Scheme is in compliance with the requirements of Sections 279 to 283 and Section 285(8) of the Companies Act, 2017. Upon sanction by the Court, the Scheme provides for the transfer and vesting of the entire undertaking of SMC Islamabad, including all assets, liabilities, and obligations, into SIHL. As consideration, SIHL will issue shares to the minority shareholders of SMC Islamabad in accordance with the approved swap ratio. Upon sanction of the Scheme, SMC Islamabad will stand dissolved without winding up.

**Geographical locations of business units of the Group are as follows:**

-H-8 Hospital, Pitras Bukhari Road, Sector H-8/4, Islamabad
-Neuro Sciences Institute, Pitras Bukhari Road, Sector H-8/4, Islamabad
-G-10 Hospital, G-10 Markaz, Islamabad
-Shifa Medical Center, Gulberg Greens, Islamabad
-SMCI Hospital, F-11, Islamabad
-Faisalabad Hospital, Main Jaranwala Road, Faisalabad
-SNHF Hospital, Sheikhupura Road, Faisalabad

Percentage share in total revenue given in note 29.

| | **December 31, 2025** | **June 30, 2025** |
|---|---|---|
| Islamabad | 97% | 97% |
| Faisalabad | 3% | 3% |
| | 100% | 100% |

The consolidated financial statements of the Group have been prepared based upon audited financial statements of Shifa Medical Center Islamabad (Private) Limited and signed reviewed financial statements of Shifa National Hospital Faisalabad (Private) Limited and Shifa Development Services (Private) Limited as at December 31, 2025. The financial statements of Shifa National Hospital Faisalabad (Private) Limited have been reviewed by another firm of chartered accounts.

## 2 BASIS OF PREPARATION

These financial statements of the Group for the six month period ended December 31, 2025 have been prepared under the requirement of Section 282(2)(e) of the Companies Act, 2017 in relation with the scheme of arrangement for the amalgamation of the Shifa Medical Center Islamabad (Private) Limited with and into Shifa International Hospitals Limited. These special purpose financial statements have been prepared on the same basis of accounting as used in the preparation of the statutory financial statements for the year ended June 30, 2025 and may not be suitable for any other purpose.

### 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:

- IFRS Accounting 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 IFRSs or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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.



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

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

| | |
|---|---|
| Notes 4.1 and 19 | Estimate of recoverable amount of investment in associated company. |
| Notes 4.3, 4.4, 4.17.4 and 9 | Estimate of fair value of financial liabilities at initial recognition. |
| Notes 4.5, 4.6, 10, 14 and 33 | Provision for taxation. |
| Notes 4.7, 11 and 16 | Right of use assets and corresponding lease liability. |
| Notes 4.9, 12.4 and 12.5 | Employee benefits. |
| Notes 4.10, 4.11 and 15 | Provisions and contingencies. |
| Notes 4.12 and 16 | Estimate of useful life of property, plant and equipment. |
| Notes 4.13 and 17 | Estimate of useful life of intangible assets. |
| Notes 4.15 | Impairment of non-financial assets. |
| Notes 4.17.2, 26.2 and | Expected credit loss allowance. |
| Notes 4.18 and 22 | Provision for slow moving stores, spares and loose tools. |

## 3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |

### 3.2 New accounting standards, amendments and interpretations that are not yet effective

| | |
|---|---|
| Amendments to IFRS - 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |



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| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IFRS - 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS - 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IFRS - 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| IFRS - 17 'Insurance Contracts' | January 01, 2026 |

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRIC 12 'Service Concession Arrangement' has been issued by IASB effective from January 01, 2008. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise stated.

### 4.1 Basis of consolidation

These consolidated financial statements includes the financial statements of Shifa International Hospitals Limited and its subsidiaries, SDSPL 55% owned (June 30, 2025: 55% owned), SMC Islamabad 99% owned (June 30, 2025: 56% owned), and SNH Faisalabad 60% owned (June 30, 2025: 61% owned)



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**Subsidiaries**

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

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

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

**Associates (equity accounted investee)**

Entities over which the Group has significant influence directly or indirectly (through subsidiaries) but not control and which are neither subsidiaries nor joint ventures of the members of the Group, are associates and are accounted for under the equity method of accounting (equity accounted investees). These investments are initially recognised 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 recognised in the consolidated statement of profit or loss and the 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 is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.



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**Loss of control**

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

**4.2 Share capital and dividend**

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

**4.3 Financing and finance cost**

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

**4.4 Government grants**

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

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

Grants that compensate the Group for expenses incurred, are recognised on a systematic basis in the income for the year in which the finance cost is recognised and finance cost is reported net of grant in Note 32.

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

**4.5 Taxation**

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



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**Current**

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

**Deferred**

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

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

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

Deferred tax asset of Rs. 113.56 million (June 30, 2025: Rs. 111.93 million) on deductible temporary difference of Rs. 390.34 million (June 30, 2025: Rs. 384.95 million) has not been recorded in respect of subsidiaries.

**4.6 Levies**

Minimum tax, final tax and super-tax not based on taxable profits are recognised as a levy in the consolidated statement of profit or loss. The amount calculated on taxable income using the notified tax rate is recognised as current income tax expense for the year in consolidated statement of profit or loss under the scope of IAS 12. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 ("the Ordinance") over the amount designated as current income tax for the year, is then recognised as a levy falling under the scope of IFRIC 21 / IAS 37.

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## 4.7 Leases

### 4.7.1 Right of use assets (ROUs)

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

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

The Group 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 Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

### 4.7.2 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
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

### 4.8 Trade and other payables

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

### 4.9 Employee benefits

**Defined benefit plan**

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

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

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

**Defined contribution plan**

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

**Compensated absences**

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

### 4.10 Provisions

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



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## 4.11 Contingencies

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

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

## 4.12 Property, plant and equipment

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

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

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

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



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

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

Assets are derecognised when disposed off or when no future economic benefits are expected to flow from its use. Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised on net basis 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 land is made with sufficient regularity. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation / amortisation charge and impairment.

### 4.13 Intangible assets

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

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

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

### 4.14 Investment property - at cost

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

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



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

### 4.15 Impairment of non - financial assets

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

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

The Group recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after



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the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## 4.16 Investments

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

## 4.17 Financial assets

**Initial measurement**

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

The Group classifies its financial assets into following three categories:

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

**Subsequent measurement**

**i) Debt instrument at FVOCI**

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



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**ii) Equity instrument at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognised 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 or losses, including any interest / markup or dividend income, are recognised in the consolidated statement of profit or loss.

**iv) Financial assets at amortised cost**

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

**4.17.1 Other financial assets**

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

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

**4.17.2 Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its financial asset carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
The Group applies the simplified approach for trade debts which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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



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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 amounts at the reporting date reduced by security deposit held. For other financial assets, the ECL is based on the 12-month ECL. The 12 month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

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

**4.17.3 Derecognition**

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

**4.17.4 Financial liabilities**

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

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

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



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#### 4.17.5 Off-setting financial assets and financial liabilities

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

### 4.18 Stores, spare parts and loose tools

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

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

### 4.19 Stock in trade

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

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

### 4.20 Trade debts, loans, deposits, interest accrued and other receivables

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

### 4.21 Cash and cash equivalents

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

### 4.22 Foreign currencies

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of transactions. At each reporting date, monetary assets and liabilities



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that are denominated in foreign currencies are retranslated at the rate prevailing on the reporting date. Gain or loss arising on retranslation is included in the consolidated statement of profit or loss.

### 4.23 Operating segment

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

### 4.24 Revenue recognition

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

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

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

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

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

Scrap sales and miscellaneous receipts are recognised on realised amounts.

### 4.25 Earnings per share

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



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## 4.26 Fair value measurement

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

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

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

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

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

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

**Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

**Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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## 5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| December 31, 2025 | June 30, 2025 | | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| ----- Number ----- | | | (Rupees in '000') | |
| 61,974,886 | 61,974,886 | Ordinary shares of Rs.10 each issued for cash | 619,749 | 619,749 |
| 1,239,497 | 1,239,497 | Ordinary shares of Rs.10 each issued as fully paid bonus shares | 12,395 | 12,395 |
| 63,214,383 | 63,214,383 | | 632,144 | 632,144 |

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

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

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

### 5.4 Capital management

The Group's objectives when managing capital are to ensure the Group's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximise return of shareholders and optimise benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital. There were no changes to the Group's approach to capital management during the period.

| | December 31. 2025 | June 30. 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Equity | 16,016,106 | 14,930,019 |
| Debt including lease liabilities | 2,702,142 | 1,808,028 |
| | (Percentage) | |
| Debt to equity ratio | 14 | 11 |



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

## 6 SHARE PREMIUM

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

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT** | | |
| Balance at beginning of the period | 2,355,123 | 2,021,310 |
| Revaluation surplus during the period | - | 506,447 |
| Transfer from / to non-controlling interest | 393,344 | (136,517) |
| Realisation of revaluation surplus on disposal of assets | - | (14,517) |
| Transferred to unappropriated profits in respect of incremental depreciation / amortisation charged during the period | (12,224) | (21,600) |
| Balance at end of the period | 2,736,243 | 2,355,123 |

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

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## 8 NON - CONTROLLING INTEREST (NCI)

Following is the summarised financial information of SDSPL, SNH Faisalabad and SMC Islamabad:

| | SDSPL | | SNH Faisalabad | | SMC Islamabad | | Total | |
|---|---|---|---|---|---|---|---|---|
| **NCI percentage** | 45% | 45% | 40% | 40% | 1% | 44% | | |
| | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 |
| | (Rupees in '000') | | | | | | | |
| **Summarised statement of financial position** | | | | | | | | |
| Current assets | 24,322 | 24,354 | 1,286,151 | 259,111 | 90,927 | 99,596 | 1,401,400 | 383,061 |
| Non-current assets | 3,302 | 3,302 | 4,931,764 | 3,705,582 | 3,103,953 | 3,112,640 | 8,039,019 | 6,821,524 |
| Current liabilities | 53,858 | 53,767 | 188,574 | 15,258 | 3,027 | 4,217 | 245,459 | 73,242 |
| Non-current liabilities | - | - | 326,946 | 11,357 | - | - | 326,946 | 11,357 |
| Net assets | (26,234) | (26,111) | 5,702,395 | 3,938,078 | 3,191,853 | 3,208,019 | 8,868,014 | 7,119,986 |
| Accumulated NCI | (59,503) | (58,051) | 2,307,035 | 1,590,788 | 3,572 | 1,434,329 | 2,251,104 | 2,967,066 |
| **Summarised statement of comprehensive income** | | | | | | | | |
| Revenue-net | - | - | - | - | - | - | - | - |
| Other income | - | 115 | 20,146 | 28,831 | 2,083 | 3,514 | 22,229 | 32,460 |
| Loss for the year | (124) | (2,058) | (517) | (36,156) | (16,165) | (82,883) | (16,806) | (121,097) |
| Other comprehensive income | - | - | - | 148,740 | - | 176,491 | - | 325,231 |
| Total comprehensive income / (loss) | (124) | (2,058) | (517) | 112,584 | (16,165) | 93,608 | (16,806) | 204,134 |
| Profit / (Loss) attributable to NCI | (56) | (926) | (207) | (2,098) | (2,788) | (23,061) | (3,051) | (26,085) |
| Comprehensive income for the year attributable to NCI | - | - | - | 59,161 | - | 77,356 | - | 136,517 |
| Total comprehensive income / (loss) for the year attributable to NCI | (56) | (926) | (207) | 57,063 | (2,788) | 54,295 | (3,051) | 110,432 |
| **Summarised statement of cash flows** | | | | | | | | |
| Cash flows from operating activities | (32) | (1,252) | 166,171 | (81,104) | (7,789) | 125,816 | 158,350 | 43,460 |
| Cash flows from investing activities | - | - | (1,207,300) | (640,759) | 2,104 | (97,138) | (1,205,196) | (737,897) |
| Cash flows from financing activities | - | - | 2,064,834 | 940,838 | - | - | 2,064,834 | 940,838 |
| Net increase / (decrease) in cash and cash equivalents | (32) | (1,252) | 1,023,705 | 218,975 | (5,685) | 28,678 | 1,017,988 | 246,401 |

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| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **9** | **LONG TERM FINANCING - SECURED** | | | |
| | **From Islamic banks and non-banking financial institution** | | | |
| | Diminishing Musharakah Facility-1 | 9.1 | 89,765 | 105,964 |
| | Diminishing Musharakah Facility-2 | 9.2 | 360,869 | 433,043 |
| | Diminishing Musharakah Facility-3 | 9.3 | 586,356 | 475,986 |
| | Diminishing Musharakah Facility-4 | 9.4 | 143,035 | - |
| | Diminishing Musharakah Facility-5 | 9.5 | 300,000 | - |
| | Islamic Refinance Facility to Combat COVID -19 (IRFCC) | 9.6 | 5,764 | 28,003 |
| | Deferred income - Government grant | | 38 | 861 |
| | | | 5,802 | 28,864 |
| | Islamic Refinance Facility to Combat COVID-19 (IRFCC) | 9.7 | 9,100 | 13,249 |
| | Deferred income - Government grant | | 744 | 1,516 |
| | | | 9,844 | 14,765 |
| | **From conventional bank** | | | |
| | Refinance Facility to Combat COVID-19 (RFCC) | 9.8 | 28,095 | 45,339 |
| | Deferred income - Government grant | | 1,900 | 4,648 |
| | | | 29,995 | 49,987 |
| | | | 1,525,666 | 1,108,609 |
| | **Less: current portion shown under current liabilities** | | | |
| | From Islamic banks and non banking financial institution | | 229,055 | 219,528 |
| | From conventional bank | | 28,095 | 35,662 |
| | | | 257,150 | 255,190 |
| | | | 1,268,516 | 853,419 |

9.1 This represents the outstanding balance of the long term Islamic finance facility obtained under the Diminishing Musharakah basis from First Habib Modaraba of Rs. 161.90 million (June 30, 2025: Rs. 161.90 million). The principal amount is repayable in 60 equal monthly instalments carrying a profit rate at 3 months KIBOR plus 0.70% per annum. The unavailed limit of this facility is nil (June 30, 2025: nil).

9.2 This represents the outstanding balance of the long term Islamic finance facility obtained from Bank Alfalah Limited of Rs. 577.40 million (June 30, 2025: Rs. 577.40 million). The principal amount is repayable in 16 equal quarterly instalments carrying a profit rate at 3 months KIBOR plus 0.70% per annum. The financing is initially secured by a ranking charge of Rs. 800 million, which has been upgraded to a first exclusive charge on the plant and machinery being financed under the Diminishing Musharakah facility to be installed at the hospital located at H-8/4, Islamabad. The unavailed limit of this facility is nil (June 30, 2025: nil).

9.3 This represents the outstanding balance of the long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 586.36 million (June 30, 2025: Rs. 475.90 million). The principal amount is repayable in 16 equal quarterly instalments carrying a profit rate at 3 months KIBOR plus 0.50% per annum. The financing is secured by an existing first pari passu charge of Rs. 800 million on all present and future fixed assets of the SIHL. The unavailed limit of this facility is Rs. 13.64 million (June 30, 2025: Rs. 124.10 million).

9.4 This represents the outstanding balance of the long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 143.03 million (June 30, 2025: nil). The principal amount is repayable in 16 equal quarterly instalments carrying a profit rate at 3 months KIBOR plus 0.50% per annum. The financing is secured by an existing first pari passu charge of Rs. 400 million on all present and future fixed assets of the SIHL. The unavailed limit of this facility is Rs. 156.97 million (June 30, 2025: nil).

9.5 This represents the outstanding balance of the long term Islamic finance facility obtained from Habib Bank Limited (HBL) amounting to Rs. 1,200 million (June 30, 2025: nil) for ongoing capital expenditures (local & imports) of SNH Faisalabad. The principal amount is repayable in 16 equal quarterly instalments with a profit rate of 3 months KIBOR plus 0.75% per annum. The facility is secured by a first hypothecation charge of Rs. 1,600 million over all current and fixed assets of the SNH Faisalabad (excluding land and building). In addition, an equitable mortgage charge of Rs. 1,600 million over the project land and building situated in Faisalabad with 25% margin and a token registered mortgage of Rs. 0.125 million.

Under this arrangement, the SNH Faisalabad is restricted from paying any dividend during financial year ending June 30, 2027 and June 30, 2028. Thereafter, in case of breach of financial covenants, any declaration or payment of dividend shall be subject to prior approval of HBL.

9.6 This represents the outstanding balance of a long term Islamic finance facility obtained from Meezan Bank Limited of Rs. 200 million (June 30, 2025: Rs. 200 million) for the purpose of import/purchase of medical equipment / machinery to combat COVID-19 under the State Bank of Pakistan IRFCC scheme. The principal amount shall be repaid by January 27, 2026, in 18 equal quarterly instalments with no profit rate. The financing is secured by the first pari passu hypothecation charge of Rs. 267 million on all present and future fixed assets of the SIHL (excluding land and building). The unavailed limit of this facility is nil (June 30, 2025: nil). Since the financing under the SBP refinance scheme carries no profit rate, the loan has been recognised at present value using the SIHL's effective profit rate along with the recognition of the government grant.

| | **December 31, 2025** | **June 30, 2025** |
|---|---|---|
| | **(Rupees in '000')** | |
| Balance at beginning of the period | 861 | 5,341 |
| Amortisation during the period | (823) | (4,480) |
| Balance at end of the period | 38 | 861 |



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9.7 This represents the outstanding balance of the long term Islamic finance facility obtained from Al Baraka Bank (Pakistan) Limited of Rs. 45.90 million (June 30, 2025: Rs. 45.90 million) for the purpose of import / purchase of medical equipment / machinery to combat COVID-19 under the State Bank of Pakistan IRFCC scheme. The principal amount shall be repaid by December 15, 2026, in 9 equal half-yearly instalments with a profit rate of 1% per annum. The facility is secured by an exclusive charge of Rs. 55 million over equipment / machinery against DM IRFCC. The unavailed limit of this facility is nil (June 30, 2025: nil). Since the financing under the SBP refinance scheme carries the profit rate below the market rate, the loan has been recognised at present value using the SIHL's effective profit rate along with the recognition of the government grant.

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Balance at beginning of the period | 1,516 | 4,073 |
| Amortisation during the period | (772) | (2,557) |
| Balance at end of the period | 744 | 1,516 |

9.8 This represents the outstanding balance of the long term finance facility obtained from United Bank Limited of Rs. 185.20 million (June 30, 2025: Rs. 185.20 million). The principal amount shall be repaid by September 14, 2026, in 18 equal quarterly instalments carrying profit at 1% per annum. The financing is secured by the first pari passu charge of Rs. 267 million over fixed assets (excluding land and building) of the SIHL. The unavailed limit of this facility is nil (June 30, 2025: nil). Since the financing under the SBP refinance scheme carries the markup rate below the market rate, the loan has been recognised at present value using the SIHL's effective profit rate along with the recognition of the government grant.

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Balance at beginning of the period | | 4,648 | 13,329 |
| Amortisation during the period | | (2,748) | (8,681) |
| Balance at end of the period | | 1,900 | 4,648 |

## 10 DEFERRED LIABILITIES

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Deferred taxation | 10.1 | 219,946 | 244,422 |
| Defined contribution plan | | 53,286 | 44,846 |
| | | 273,232 | 289,268 |

**10.1 Deferred taxation**

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Deferred tax liability | 10.1.1 | 508,966 | 530,575 |
| Deferred tax asset | 10.1.2 | (289,020) | (286,153) |
| Net deferred tax liability | | 219,946 | 244,422 |



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| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |

**10.1.1 Deferred tax liability on taxable temporary differences:**

| | | |
|---|---|---|
| Accelerated depreciation / amortisation allowance | 508,966 | 530,575 |

**10.1.2**

**Deferred tax asset on deductible temporary differences:**

| | | |
|---|---|---|
| Right of use assets net of lease liabilities | (62,434) | (57,984) |
| Specific provisions | (204,584) | (188,105) |
| Retirement benefit obligation | (22,002) | (40,064) |
| | (289,020) | (286,153) |

**10.1.3 Breakup and movement of deferred tax balances is as follows:**

| Deferred tax liabilities / (assets) | Opening balance | Statement of profit or loss | Other comprehensive income | Closing balance |
|---|---|---|---|---|
| | ------ (Rupees in '000') ------ | | | |
| **December 31, 2025** | | | | |
| **Effect of taxable temporary differences** | | | | |
| Accelerated depreciation / amortisation allowance | 530,575 | (21,609) | - | 508,966 |
| **Effect of deductible temporary differences** | | | | |
| Right of use assets net of lease liabilities | (57,984) | (4,451) | - | (62,434) |
| Specific provisions | (188,105) | (16,478) | - | (204,584) |
| Retirement benefit obligation | (40,064) | 18,063 | - | (22,002) |
| | 244,422 | (24,475) | - | 219,946 |
| **June 30, 2025** | | | | |
| **Effect of taxable temporary differences** | | | | |
| Accelerated depreciation / amortisation allowance | 604,045 | (73,470) | - | 530,575 |



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| Deferred tax liabilities / (assets) | Opening balance | Statement of profit or loss | Other comprehensive income | Closing balance |
|---|---|---|---|---|
| | ------ (Rupees in '000') ------ | | | |
| **Effect of deductible temporary differences** | | | | |
| Right of use assets net of lease liabilities | (66,580) | 8,596 | - | (57,984) |
| Specific provisions | (130,739) | (57,366) | - | (188,105) |
| Retirement benefit obligation | (51,766) | 44,193 | (32,491) | (40,064) |
| | 354,960 | (78,047) | (32,491) | 244,422 |

10.1.4 Deferred tax assets and liabilities on temporary differences are measured at the rate of 39% (June 30, 2025: 39%).

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **11 LEASE LIABILITIES** | | | |
| Balance at beginning of the period | | 699,419 | 630,307 |
| Additions during the period | | 558,477 | 207,615 |
| Interest expense during the period | 32 | 69,578 | 102,801 |
| Termination during the period | | - | (5,223) |
| Payment during the period | | (150,998) | (236,081) |
| Balance at end of the period | 11.1 | 1,176,476 | 699,419 |
| Less: current portion | | 230,301 | 192,895 |
| | | 946,175 | 506,524 |

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

| | Minimum lease payments | Interest | Present value of minimum lease payments |
|---|---|---|---|
| | --- (Rupees in '000') --- | | |
| **December 31, 2025** | | | |
| Less than one year | 252,966 | 22,665 | 230,301 |
| Between one and five years | 592,722 | 181,654 | 411,068 |
| More than five years | 6,172,037 | 5,636,929 | 535,107 |
| | 7,017,725 | 5,841,248 | 1,176,476 |

| June 30, 2025 | Minimum lease payments | Interest | Present value of minimum lease payments |
|---|---|---|---|
| | --- (Rupees in '000') --- | | |
| Less than one year | 242,874 | 49,979 | 192,895 |
| Between one and five years | 528,383 | 142,038 | 386,345 |
| More than five years | 218,502 | 98,323 | 120,179 |
| | 989,759 | 290,340 | 699,419 |

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **11.2** | **Amounts recognised in the consolidated statement of profit or loss** | | | |
| | Interest expense on lease liabilities | 32 | 69,578 | 102,801 |
| | Expense relating to short term / low value lease | 31 | 24,153 | 26,218 |
| | | | 93,731 | 129,019 |
| **12** | **TRADE AND OTHER PAYABLES** | | | |
| | Creditors | 12.1 | 3,317,652 | 2,469,714 |
| | Accrued liabilities | | 837,893 | 752,488 |
| | Advances from customers - contract liability | 12.2 | 323,011 | 422,014 |
| | Medical consultants' charges | | 690,305 | 726,226 |
| | Security deposits | 12.3 | 148,456 | 144,573 |
| | Compensated absences | 12.4 | 243,694 | 223,374 |
| | Defined contribution plan | | 39,774 | 31,027 |
| | Retention money | | 41,412 | 22,994 |
| | Shifa International Hospitals Limited (SIHL) Employees' Gratuity Fund Trust (the Fund) | | 56,416 | 102,728 |
| | | | 5,698,613 | 4,895,138 |
| **12.1** | **This includes payables to related parties (unsecured) as detailed below:** | | | |
| | Tameer - e - Millat Foundation (TMF) | | 7,120 | 4,186 |
| | Shifa Tameer - e - Millat University (STMU) | | 83,106 | 42,798 |
| | | | 90,226 | 46,984 |

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| | | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **12.2** | **Advances from customers - contract liability** | | |
| | Balance at beginning of the period | 422,014 | 384,383 |
| | Revenue recognised during the period | (144,308) | (71,099) |
| | Advance refund during the period | - | (64,797) |
| | Advance received during the period | 45,305 | 173,527 |
| | Balance at end of the period | 323,011 | 422,014 |

12.3 This includes security deposits retained from employees of Rs. 58.16 million (June 30, 2025: Rs. 54.44 million) held in separate bank account and balances obtained from customers of Rs. 90.27 million (June 30, 2025: Rs. 90.14 million) that are utilisable for the purpose of the business in accordance with agreements with customers.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **12.4** | **Compensated absences** | | | |
| | Balance at beginning of the period | | 223,374 | 175,903 |
| | Provision made for the period | | 81,558 | 136,518 |
| | | | 304,932 | 312,421 |
| | Payments made during the period | | (61,238) | (89,047) |
| | Balance at end of the period | 12.4.1 | 243,694 | 223,374 |

12.4.1 Actuarial valuation of compensated absences has not been carried out since SIHL management believes that the effect of actuarial valuation would not be material.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **13** | **MARKUP ACCRUED** | | | |
| | Long term financing | | 8,175 | 7,974 |
| **14** | **TAXATION - NET** | | | |
| | Tax payable / (refund) at beginning of the period | | 62,833 | (258,787) |
| | Income tax paid / deducted at source during the period | | (1,090,534) | (1,591,071) |
| | | | (1,027,701) | (1,849,858) |
| | Income tax expense / levies | 33 | 1,084,671 | 1,912,691 |
| | Tax payable at end of the period | | 56,970 | 62,833 |



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## 15 CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

15.1.1 The guarantee issued by the bank in favour of Sui Northern Gas Pipelines Limited (SNGPL) and Imtiaz Group (SMC-Privtae) Limited of aggregate sum of Rs. 39.05 million (June 30, 2025: Rs. 36.60 million) on behalf of the SIHL in its ordinary course of business. Additionally, a bank guarantee amounting to Rs. 44.50 million (June 30, 2025: Rs. 44.50 million) has been issued in favour of the Capital Development Authority (CDA) to secure obligations under the ICT Building Control Regulations – 2020 (Amended 2023) on behalf of SMC Islamabad.

15.1.2 The SIHL is facing claims and penalties amounting to Rs. 3.9 million (June 30, 2025: Rs. 5.9 million). The SIHL successfully defended a claim of Rs. 2 million. The Hon'ble Supreme Court of Pakistan has allowed the SIHL's appeal and set aside the decree requiring payment of the said amount. In compliance with earlier directions of the Islamabad High Court (IHC), a pay order of Rs. 2 million had been deposited with the Deputy Registrar, IHC. An application has been filed for recovering the said amount. Against the remaining claims of Rs. 3.9 million, the SIHL has made payments under protest amounting to Rs. 2.4 million and in compliance with IHC direction furnished a bank guarantee of Rs. 0.5 million. These matters continue to be contested before the Islamabad, Peshawar and Lahore High Courts and the Supreme Court of Pakistan. The SIHL's management, based on advice from respective legal counsels, remains confident of favorable resolutions in the aforementioned matters.

Furthermore, on June 6, 2012, the Competition Commission of Pakistan (CCP) imposed a penalty of Rs. 20 million on each Gulf Cooperation Council Approved Medical Centers, including the SIHL, for alleged non-competitive practices. During the period under review the Competition Appellate Tribunal (CAT), through its order dated August 11, 2025, reduced the penalty to Rs. 2 million. Notwithstanding the CAT's order, on August 12, 2025 the CCP, without notice and contrary to the procedure prescribed under the Competition Act, 2010, attached the SIHL's bank accounts and recovered Rs. 4.01 million, i.e. twice the penalty determined by the CAT. Subsequently, the CCP refunded Rs. 2.01 million.

15.1.3 SIHL had received a demand notice from the Capital Development Authority (CDA) regarding the payment of regularisation charges. As per the notice dated March 21, 2025, CDA has demanded payment of Rs. 790.76 million as regularization charges, out of which Rs. 384.92 million has already been paid by the SIHL. The balance amount of Rs. 405.84 million is being contested vehemently as the same is beyond the scope of legal charges / rates invoked at the time of demand. The SIHL intends to pursue rigorously and avail all appropriate legal remedy before competent forum. The SIHL has also expressed its protest in clear terms to the CDA against said excessive demand. No provision has been made in these consolidated financial statements as the SIHL's management as per advice of the legal counsel, is confident that a favorable outcome will be achieved.



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

15.1.4.1 The tax authorities amended the assessments for tax years 2012 to 2016, 2019, 2021, and 2023 under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance), creating an aggregate tax demand of Rs. 648.70 million. Aggrieved by these orders, the SIHL preferred appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] and/or the Appellate Tribunal Inland Revenue (ATIR), as applicable, on various dates between September 2018 and February 2025. The ATIR, vide Order Nos. ITA 1883-1884(IB)/2018 dated August 20, 2025 and November 27, 2025, adjudicated the cross appeals for tax years 2013 and 2014, whereas the appeals for the remaining years are currently pending adjudication. Being aggrieved with the order of the ATIR for the tax year 2013 and 2014, the SIHL filed a reference before Islamabad High Court on November 07, 2025, on the issues not decided in favor of the SIHL which is pending adjudication.

15.1.4.2 The tax authorities imposed taxes of Rs. 109.60 million, Rs. 178.40 million, Rs. 27.40 million, and Rs. 29.20 million under section 161/205 of the Ordinance for the tax years 2016, 2014, 2013, and 2012 respectively, based on alleged non-deduction of tax on payments. The SIHL, being aggrieved, appealed these assessments before the CIR(A). Regarding the tax year 2012, the CIR(A) deleted the assessment, while for the tax years 2013 and 2016, the assessment was set aside, and for the tax year 2014, the assessment was confirmed. The SIHL, still aggrieved, filed appeals for the tax years 2013, 2014, and 2016 before the ATIR. The appeals for the tax years 2013 and 2016 were filed on November 26, 2019 and June 06, 2023 respectively, and they are currently pending adjudication. Additionally, the ATIR has set aside the assessment for the tax year 2014 for denovo consideration.

15.1.4.3 The tax authorities amended the assessments for the tax years 2012, 2013 and from 2015 to 2017 under section 122(5) of the Ordinance. They raised an aggregate tax demand of Rs. 1,350.9 million. Being aggrieved, the SIHL appealed these assessments before the CIR(A). The CIR(A) annulled all the assessment orders, resulting in the deletion of the tax demand. Dissatisfied with the CIR(A)'s decision, the tax department filed an appeal before the ATIR on November 15, 2018. The ATIR, vide orders dated August 20, 2025, dismissed departmental appeals for the tax year 2012, 2013, 2015 and 2016. For the tax year 2017, being aggrieved with the order of the ATIR, the SIHL filed a reference before Islamabad High Court on November 7, 2025, on the issues not decided in favor of the SIHL which is pending adjudication.

15.1.4.4 The tax authorities imposed sales tax under Section 11 of the Sales Tax Act, 1990, on the alleged non-payment of sales tax on sales of scrap, fixed assets, and cafeteria services for the tax years 2016 to 2020, raising total tax demands of Rs. 225.20 million for these years. Upon appeal, the ATIR through orders from February 16, 2021 to July 30, 2024 deleted the sales tax charged on cafeteria services and fixed assets but confirmed the sales tax on scrap. Furthermore, for the tax years 2016 and 2020, the department has filed sales tax references before the High Court, which are currently pending adjudication.



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15.1.4.5 In the case of amalgamated entity, SNS Islamabad, the tax authorities amended the assessment for tax year 2021 under section 122(5A) of the Ordinance, through an order dated August 31, 2022, creating a demand of Rs. 8.50 million by disallowing a refund adjustment from yax year 2020. The CIR(A) annulled the order on February 10, 2023. However, a fresh notice for reassessment was issued on May 27, 2025, and a revised order was passed on the same grounds, alleging the refund of Rs. 8.50 million as unverified. Being aggrieved SIHL file an appeal before CIR(A) on July 24, 2025 which 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 favour of the SIHL. Accordingly, no provision has been made in respect of above in these consolidated financial statements.

| | | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **15.2** | **Commitments** | | |
| 15.2.1 | Capital expenditure contracted | 1,645,190 | 160,117 |
| 15.2.2 | Letters of credit | 245,389 | - |

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## 16 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 | Air conditioning equipment and machinery | Electrical and other equipment | Furniture and fittings | Construction equipment | Computer installations | Vehicles | Capital work-in-progress (note 16.7) | Office premises | Electrical and other equipment | Total |
| | (Rupees in '000') | | | | | | | | | | | | | | | |
| **Cost / revalued amount** | | | | | | | | | | | | | | | | |
| Balance as at July 01, 2024 | 1,032,257 | 3,617,602 | 58,898 | 3,406,032 | 517,307 | 5,510,469 | 569,850 | 989,823 | 277,488 | 3,648 | 909,480 | 228,182 | 3,480,040 | 1,148,983 | 57,000 | 21,807,060 |
| Additions | - | - | - | - | - | 308,008 | 11,847 | 29,067 | 8,698 | - | 59,459 | 87,058 | 1,077,210 | 210,241 | - | 1,791,588 |
| Revaluation | 168,084 | 338,363 | - | - | - | - | - | - | - | - | - | - | - | - | - | 506,447 |
| Disposals | - | - | - | - | - | - | - | - | - | - | (1,942) | (13,980) | - | - | - | (15,922) |
| Termination of lease | - | - | - | - | - | - | - | - | - | - | - | - | - | (10,109) | - | (10,109) |
| Write offs | - | - | - | - | - | (239,714) | (19,937) | (96,522) | (39,086) | (862) | (80,720) | - | (60,443) | - | - | (537,284) |
| Transfers | - | - | - | 206,393 | (180,121) | 359,037 | - | - | - | - | 6,529 | - | (391,838) | - | - | - |
| Balance as at June 30, 2025 | 1,200,341 | 3,955,965 | 58,898 | 3,612,425 | 337,186 | 5,937,800 | 561,760 | 922,368 | 247,100 | 2,786 | 892,806 | 301,260 | 4,104,969 | 1,349,115 | 57,000 | 23,541,780 |
| Balance as at July 01, 2025 | 1,200,341 | 3,955,965 | 58,898 | 3,612,425 | 337,186 | 5,937,800 | 561,760 | 922,368 | 247,100 | 2,786 | 892,806 | 301,260 | 4,104,969 | 1,349,115 | 57,000 | 23,541,780 |
| Additions | - | - | - | - | - | 211,645 | 15,194 | 25,304 | 11,078 | - | 51,562 | 34,306 | 1,169,698 | 558,477 | - | 2,077,264 |
| Disposals | - | - | - | - | - | - | - | - | - | - | (1,701) | (2,034) | - | - | - | (3,735) |
| Write offs | - | - | - | - | - | (45,231) | (405) | (5,811) | (360) | - | (1,822) | - | - | - | - | (53,629) |
| Transfers | - | - | - | - | - | 21,936 | - | - | - | - | - | - | (21,936) | - | - | - |
| Balance as at December 31, 2025 | 1,200,341 | 3,955,965 | 58,898 | 3,612,425 | 337,186 | 6,126,150 | 576,549 | 941,861 | 257,819 | 2,786 | 940,845 | 333,532 | 5,252,731 | 1,907,592 | 57,000 | 25,561,680 |
| **Depreciation / amortisation** | | | | | | | | | | | | | | | | |
| Balance as at July 01, 2024 | - | 280,359 | 12,761 | 1,173,854 | 183,471 | 3,407,107 | 455,364 | 754,224 | 195,770 | 2,654 | 649,156 | 135,197 | - | 639,885 | 57,000 | 7,946,802 |
| Charge for the year | - | 47,454 | 2,945 | 122,583 | 79,223 | 412,206 | 42,064 | 61,253 | 15,916 | 279 | 101,462 | 33,714 | - | 164,553 | - | 1,083,652 |
| On disposals | - | - | - | - | - | - | - | - | - | - | (1,828) | (11,277) | - | - | - | (13,105) |
| Termination of lease | - | - | - | - | - | - | - | - | - | - | - | - | - | (6,065) | - | (6,065) |
| On write offs | - | - | - | - | - | (226,341) | (19,914) | (96,092) | (37,772) | (802) | (80,654) | - | - | - | - | (461,575) |
| Balance as at June 30, 2025 | - | 327,813 | 15,706 | 1,296,437 | 262,694 | 3,592,972 | 477,514 | 719,385 | 173,914 | 2,131 | 668,136 | 157,634 | - | 798,373 | 57,000 | 8,549,709 |
| Balance as at July 01, 2025 | - | 327,813 | 15,706 | 1,296,437 | 262,694 | 3,592,972 | 477,514 | 719,385 | 173,914 | 2,131 | 668,136 | 157,634 | - | 798,373 | 57,000 | 8,549,710 |
| Charge for the year | - | 26,157 | 1,472 | 70,762 | 30,701 | 213,928 | 17,470 | 28,412 | 7,841 | 136 | 52,953 | 23,787 | - | 92,827 | - | 566,446 |
| On disposals | - | - | - | - | - | - | - | - | - | - | (1,629) | (2,034) | - | - | - | (3,663) |
| On write offs | - | - | - | - | - | (43,186) | (405) | (5,755) | (259) | - | (1,822) | - | - | - | - | (51,427) |
| Balance as at December 31, 2025 | - | 353,970 | 17,178 | 1,367,199 | 293,395 | 3,763,714 | 494,579 | 742,042 | 181,496 | 2,267 | 717,638 | 179,387 | - | 891,199 | 57,000 | 9,061,066 |
| Carrying value as at June 30, 2025 | 1,200,341 | 3,628,152 | 43,192 | 2,315,988 | 74,492 | 2,344,828 | 84,246 | 202,983 | 73,186 | 655 | 224,670 | 143,626 | 4,104,969 | 550,742 | - | 14,992,071 |
| **Carrying value as at December 31, 2025** | 1,200,341 | 3,601,995 | 41,720 | 2,245,226 | 43,791 | 2,362,436 | 81,970 | 199,819 | 76,323 | 519 | 223,207 | 154,145 | 5,252,731 | 1,016,393 | - | 16,500,615 |
| **Annual rate of depreciation %** | - | 1.37 | 5 | 2.5-40 | 20 | 10 | 10-15 | 10-20 | 10 | 10-20 | 25 | 20 | - | 5.85-33 | 33.33 | |

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16.1 The Group's leasehold and freehold lands were revalued as at June 30, 2025, by an independent valuer on a fair market value basis. The forced sale value (FSV) of the revalued leasehold and freehold land have been assessed at Rs. 2,902.60 million and Rs. 963.27 million respectively.

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

| | Cost | Accumulated amortisation | Carrying value |
|---|---|---|---|
| | --------- (Rupees in '000') --------- | | |
| **Freehold land** | | | |
| December 31, 2025 | 658,928 | - | 658,928 |
| June 30, 2025 | 658,928 | - | 658,928 |
| **Leasehold land** | | | |
| December 31, 2025 | 1,621,716 | 239,816 | 1,381,900 |
| June 30, 2025 | 1,621,716 | 215,258 | 1,406,458 |

16.3 Particulars of Group's freehold and leasehold land are as follow:

| Location | Nature | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | ----- Area ----- | |
| Shifa Cooperative Housing Society, Islamabad Expressway - Sq. yds | Freehold land | 1003 | 1003 |
| SNH Faisalabad Hospital, Sheikhupura Road, Faisalabad - Kanal | Freehold land | 49.6 | 49.6 |
| SMC Islamabad Hospital, F-11, Islamabad - Kanal | Leasehold land | 6.7 | 6.7 |
| SIHL, H-8/4, Islamabad* - Kanal | Leasehold | 87.8 | 87.8 |
| Neuro Sciences Institute, H-8/4, Islamabad* - Sq. yds | Leasehold | 7100 | 7100 |

*The covered area includes multi-storey buildings.

16.4 Property, plant and equipment include items with aggregate cost of Rs. 3,697.32 million (June 30, 2025: Rs. 3541.89 million) representing fully depreciated assets that are still in use of the Group.

16.5 Property, plant and equipment of the SIHL are encumbered under an aggregate charge of Rs. 9,265.59 million (June 30, 2025: Rs. 7,665.59 million) in favour of banking companies under various financing arrangements as disclosed in note 9.

16.6 Immediately after acquisition, the sale deed for the land and building of the SNS Islamabad was duly registered with the sub-registrar in Islamabad, in accordance with the provisions outlined



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in the allotment letter / Indenture of lease deed. Subsequently, the SNS Islamabad initiated formal proceedings with the Capital Development Authority (CDA) to effectuate the change of title through the registered sale deed. However, the CDA raised objections to the transfer, leading to the initiation of a legal suit by CDA. The aforementioned suit was dismissed by the relevant learned district judge on January 29, 2024. The CDA have filed appeal against the judgment and Decree of the District Judge before the honourable Islamabad High Court and the SNS Islamabad has filed cross objections against the said appeal. The matter is currently pending adjudication before the Islamabad High Court and there are reasonable grounds to believe that the case will be decided in favour of the SNS Islamabad. After merger, the parent company as successor will be impleaded, in the place of the SNS Islamabad, in the pending civil appeal led by the CDA before the honourable Islamabad High Court against the order of dismissal of earlier suit led by CDA wherein objections were raised on the transfer of said property in the name of SNS Islamabad via registered sale deed.

| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **16.7** | **Capital work in progress** | | | |
| | Civil work | 16.7.1 | 4,866,103 | 3,853,250 |
| | Installation of equipment | | 386,628 | 251,719 |
| | | | 5,252,731 | 4,104,969 |
| **16.7.1** | SMC Islamabad Hospital | | 1,376,363 | 1,375,763 |
| | SNH Faisalabad Hospital | | 3,254,165 | 2,252,863 |
| | Others | | 235,575 | 224,624 |
| | | | 4,866,103 | 3,853,250 |
| **17** | **INTANGIBLE ASSETS** | | | |
| | Softwares in use | 17.1 | 31,991 | 36,914 |
| | Software under development / deployment | 17.2 | 5,787 | 5,787 |
| | | | 37,778 | 42,701 |
| **17.1** | **Softwares in use** | | | |
| | **Cost** | | | |
| | Balance at beginning of the period / year | | 145,843 | 106,468 |
| | Addition during the period / year | | - | 39,375 |
| | Impairment loss during the period / year | | - | - |
| | Balance at end of the period / year | | 145,843 | 145,843 |
| | **Accumulated amortisation** | | | |
| | Balance at beginning of the period | | 108,929 | 106,468 |
| | Charged during the period | | 4,922 | 2,461 |
| | Balance at end of the period | | 113,852 | 108,929 |
| | Carrying value | | 31,991 | 36,914 |



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| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **17.2** | **Software under development / deployment** | | | |
| | Balance at beginning of the period | | 5,787 | 39,375 |
| | Addition during the period | | - | 5,787 |
| | Capitalised during the period | | - | (39,375) |
| | Balance at end of the period | | 5,787 | 5,787 |
| | **Annual amortisation rate** | | **25%** | **25%** |

| | | | | |
|---|---|---|---|---|
| **18** | **INVESTMENT PROPERTY - AT COST** | | | |
| | Balance at beginning of the period | | 624,872 | 720,292 |
| | Disposed off during the period | | - | (95,420) |
| | Balance at end of the period | 18.1 | 624,872 | 624,872 |

18.1 This represents freehold land comprising of 11 plots at Shifa Cooperative Housing Society, Islamabad Expressway (SCHS), 48K-3M-182 Sq ft at Chak No. 4, near Sargodha Road, Faisalabad of which 20K-14M-181 Sq ft are subject to possession proceedings and 105.02 kanal at Motorway, Mouza Noon, Islamabad. An independent valuation was conducted to determine the fair value of the investment property as at June 30, 2025. The prices were assessed through a market survey of comparable properties in the vicinity. The fair value was based on the independent valuer's professional judgment, using openly available information and inquiries made in the market. Valuation was carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value and forced sale value of the land located at SCHS, Sargodha Road Faisalabad and Motorway, Mouza Noon, Islamabad are Rs. 430 million, Rs. 146.24 million, Rs. 315.06 million and Rs. 365.50 million, Rs. 116.99 million, Rs. 252.05 million respectively.

As previously reported, the SIHL was informed by its former property dealer about the sale of 49 kanal of land located at Mouza Noon, Islamabad; however, the SIHL was provided with the sale proceeds of only 10.83 kanal. Further, in coordination with land revenue authorities based on the SIHL's verification of land title against official record through an independent source, the authorities, in their latest assessment to date, have confirmed the SIHL's ownership of 105.02 kanal, of which 6.5 kanal remain under review. Accordingly, the sales proceeds of 36.7 kanal land was recorded in other receivables. The matter is being pursued, and the final outcome of the assessment will form the basis for determining the appropriate course of action.



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| | | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **19** | **LONG TERM INVESTMENTS** | | | |
| | **Associated Companies (unquoted)** | | | |
| | Shifa CARE (Private) Limited (SCPL) | 19.1 | - | - |
| | SIHT (Private) Limited (SIHT) | 19.2 | 812,698 | 740,157 |
| | | | 812,698 | 740,157 |
| **19.1** | **Shifa CARE (Private) Limited (SCPL)** | | | |
| | Balance at beginning of the period | | - | - |
| | Impairment loss on investment | | - | - |
| | Share in (loss) / profit for the period | | - | - |
| | Balance at end of the period | | - | - |

This represents investment in 4,500,050 (June 30, 2025: 4,500,050) fully paid ordinary shares of Rs. 10 each of SCPL. The above investment in ordinary shares represents 50% (June 30, 2025: 50%) shareholding in SCPL held by the SIHL. The share of loss in SCPL for the period is nil (June 30, 2025: Rs. 2.98 million, not recognised as the carrying amount of investment has been reduced to zero due to recogintion of impairment loss during the last year).

Summary of results of SCPL are as under:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Summarised statement of financial position** | | |
| Non-current assets | - | - |
| Current assets | 8,525 | 8,525 |
| Current liabilities | (7,911) | (7,911) |
| Net assets | 614 | 614 |
| **Reconciliation to carrying amount** | | |
| Opening net assets | 614 | 6,571 |
| Total comprehensive loss for the period | - | (5,957) |
| Closing net assets | 614 | 614 |
| Group's share in carrying value of net assets | 307 | 307 |
| Other comprehensive income / (loss) for the period | - | - |
| Group's share in total comprehensive (loss) | - | (2,979) |



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| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Summarised statement of profit or loss and comprehensive income** | | |
| Revenue for the period - gross | - | - |
| Depreciation and amortisation | - | - |
| Finance costs | - | - |
| Provision for taxation | - | - |
| Loss for the period | - | (5,957) |
| Other comprehensive income / (loss) for the period | - | - |
| Total comprehensive loss for the period | - | (5,957) |

19.1.1 The above information is based on management financial statements of SCPL.

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **19.2 SIHT (Private) Limited (SIHT)** | | |
| Balance at beginning of the period | 740,157 | 424,045 |
| Investment made during the period | 75,000 | 300,000 |
| Share in (loss) /profit for the period | (2,459) | 16,112 |
| Balance at end of the period | 812,698 | 740,157 |

19.2.1 This represents investment in 2,500,500 (June 30, 2025: 2,266,077) fully paid ordinary shares of Rs. 100 each of SIHT. The above investment in ordinary shares represents 50% (June 30, 2025: 45.30%) shareholding in SIHT held by the SIHL.

Summary of results of SIHT are as under:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Summarised statement of financial position** | | |
| Non-current assets | 177,066 | 181,806 |
| Current assets | 420,289 | 415,707 |
| Non-current liabilities | (81,992) | (88,558) |
| Current liabilities | (177,175) | (165,714) |
| Net assets | 338,188 | 343,241 |



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| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Reconciliation to carrying amount** | | |
| Opening net assets | 343,242 | 244,574 |
| Total comprehensive (loss) / income for the period | (5,054) | 48,668 |
| Equity | - | 50,000 |
| Closing net assets | 338,188 | 343,242 |
| Group's share in carrying value of net assets | 70,482 | 72,941 |
| Group's share in total comprehensive (loss) / income | (2,459) | 16,112 |
| **Summarised statement of profit or loss and comprehensive income** | | |
| Revenue for the period - gross | 403,314 | 717,519 |
| Depreciation and amortisation | (21,973) | (39,814) |
| Finance costs | (6,260) | (13,182) |
| Provision for taxation | (7,353) | (15,646) |
| Profit / (loss) for the period | (5,054) | 48,668 |
| Other comprehensive income / (loss) for the period | - | - |
| Total comprehensive income / (loss) for the period | (5,054) | 48,668 |

19.2.2 The above information is based on management financial statements of SIHT.

## 20 LONG TERM ADVANCES

This represents advance paid to suppliers and contractors for the services and procurement of capital assets.

## 21 LONG TERM DEPOSITS

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

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **22 STORES, SPARE PARTS AND LOOSE TOOLS** | | |
| Stores | 234,519 | 229,584 |
| Spare parts | 8,029 | 13,710 |
| Loose tools | 795 | 1,303 |
| | 243,343 | 244,597 |

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Less: provision for slow moving items | 22.1 | 19,358 | 20,436 |
| | | 223,985 | 224,161 |

**22.1 Movement of provision for slow moving items**

| | | |
|---|---|---|
| Balance at beginning of the period | 20,436 | 17,765 |
| (Reversal) / charged during the period | (1,078) | 2,671 |
| Balance at end of the period | 19,358 | 20,436 |

**23 STOCK IN TRADE**

This represents medicines being carried at moving average cost.

**24 TRADE DEBTS**

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Unsecured - considered good | | | |
| Related party - Shifa Foundation | 24.1 | 41,767 | 14,422 |
| Others | | 2,610,448 | 1,742,710 |
| | | 2,652,215 | 1,757,132 |
| Less: allowance for expected credit losses (ECL) | 43.1.3 | 339,005 | 295,676 |
| | | 2,313,210 | 1,461,456 |

24.1 Maximum amount due from Shifa Foundation at the end of any month during the period was Rs. 41.77 million (June 30, 2025: Rs. 24.58 million).

**25 LOANS AND ADVANCES**

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Secured - considered good | | | |
| Executives | | 20,716 | 12,281 |
| Other employees | | 17,038 | 16,420 |
| | 25.1 | 37,754 | 28,701 |
| Unsecured - consultants | | 5,818 | 7,123 |
| Advance paid for acquisition of shares | | - | 304,010 |
| Unsecured - suppliers / contractors | | 78,583 | 112,090 |
| | | 84,401 | 423,223 |
| | | 122,155 | 451,924 |



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25.1 These advances are secured against employee terminal benefits.

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **26 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES** | | | |
| Unsecured - considered good | | | |
| Short term prepayments | | 32,493 | 60,329 |
| Other receivables | 26.1 | 334,015 | 322,796 |
| | | 366,508 | 383,125 |
| Less: allowance for expected credit losses against other receivables | 26.2 | 169,680 | 169,680 |
| | | 196,828 | 213,445 |

26.1 This includes Rs. 59.47 million (June 30, 2025: Rs. 59.90 million) due from SIHT (Private) Limited. Maximum amount due from SIHT (Private) Limited at the end of any month during the period was Rs. 132.08 million (June 30, 2025: Rs. 148.88 million).

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **26.2 Allowance for expected credit losses against other receivables (unrelated parties)** | | | |
| Balance at beginning of the period | | 169,680 | 81,394 |
| Charged during the period | | - | 88,286 |
| Balance at end of the period | | 169,680 | 169,680 |

## 27 OTHER FINANCIAL ASSETS

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Investment - at amortised cost | 27.1 | 1,048,289 | 47,520 |
| Investment in Mutual Funds - at fair value through profit or loss | 27.2 | 1,078,574 | 1,027,993 |
| | | 2,126,863 | 1,075,513 |

27.1 This represents term deposit receipt (TDR) having face value of Rs. 3 million with three months maturity (June 30, 2025: term deposit receipts having face value of Rs. 3 million with three months maturity) and Rs. 44.50 million with one month maturity (June 30, 2025: Rs. 44.50 million with one month maturity). Profit payable on monthly basis at the weighted average rate of 9.47% and 5.50% (June 30, 2025: 11.17% and 5.50%) per annum

27.2 This represents investment in 2,175,860 (June 30, 2025: 2,175,860) and 76,983,043 (June 30, 2025: 76,983,043), 221,913 (June 30, 2025: 227,898), 10,449 (2024: 10,467) units of UBL Al-Ameen Islamic Cash Fund, NBP Islamic Money Market Fund, HBL Cash Fund and HBL



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Money Market Fund respectively. Fair value of the investment was determined using quoted repurchase price at year end.

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **28 CASH AND BANK BALANCES** | | | |
| Cash at bank in: | | | |
| Current accounts: | | | |
| Local currency | | 722,085 | 820,414 |
| Foreign currency | | - | 365,160 |
| | | 722,085 | 1,185,574 |
| Saving accounts: | | | |
| Local currency | | 1,486,394 | 2,561,048 |
| Foreign currency | | 280 | 284 |
| | 28.1 | 1,486,674 | 2,561,332 |
| | 28.2 | 2,208,759 | 3,746,906 |
| Cash in hand | | 28,664 | 14,714 |
| | | 2,237,423 | 3,761,620 |

28.1 Balance with saving account earned profit / markup at weighted average rate of 9.08% per annum (June 30, 2025: 13.43% per annum).

28.2 Balances with banks includes Rs. 148.43 million (June 30, 2025: Rs. 144.58 million) in respect of security deposits (note 12.3).

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| | | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **29** | **REVENUE - NET** | | | |
| | Inpatients | | 9,827,933 | 17,581,470 |
| | Outpatients | | 5,239,331 | 9,780,501 |
| | Other services | 29.1 | 448,082 | 810,716 |
| | | | 15,515,346 | 28,172,687 |
| | Less: discount | | 73,629 | 112,414 |
| | Less: sales tax | | 55,076 | 92,612 |
| | | | 128,705 | 205,026 |
| | | | 15,386,641 | 27,967,661 |

29.1 This represents revenue from external pharmacy outlets, cafeteria sales, operating leases to related parties / other parties.

29.2 The revenue-net is excluding of physician share of Rs. 1,749.77 million (June 30, 2025: Rs. 2,910.43 million).

| | | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **30** | **OTHER INCOME** | | |
| | **Income from financial assets:** | | |
| | Profit on bank deposits | 107,004 | 188,369 |
| | Dividend income from mutual fund - investment at fair value through profit or loss | - | 30,867 |
| | Un-realised gain on investments at fair value through profit or loss | 51,208 | 27,700 |
| | Interest income on treasury bills | 17,812 | 50,946 |
| | | 176,024 | 297,882 |
| | **Income from other than financial assets:** | | |
| | Gain on disposal of property, plant and equipment | 755 | 2,500 |
| | Exchange gain on foreign currency translation | 9,949 | 7,199 |
| | Sale of scrap - net of sales tax | 7,477 | 13,147 |
| | Miscellaneous | 20,367 | 62,474 |
| | | 38,549 | 85,320 |
| | | 214,573 | 383,202 |



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| | | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **31** | **OPERATING COSTS** | | | |
| | Salaries, wages and benefits | 31.1 | 5,131,903 | 8,885,561 |
| | Medicines consumed | 31.2 | 3,483,748 | 6,700,403 |
| | Supplies consumed | | 1,599,748 | 3,023,211 |
| | Utilities | | 812,781 | 1,353,224 |
| | Depreciation / amortisation | 16 | 566,446 | 1,083,652 |
| | Repairs and maintenance | | 517,274 | 1,251,572 |
| | Printing and stationery | | 77,205 | 198,330 |
| | Cleaning and washing | | 142,732 | 271,309 |
| | Fee, subscription and membership | | 84,759 | 143,085 |
| | Advertising and sales promotion | | 21,694 | 41,378 |
| | Communication | | 31,710 | 60,282 |
| | Travelling and conveyance | | 48,744 | 60,484 |
| | Legal and professional | | 29,911 | 44,912 |
| | Rent | | 24,153 | 26,218 |
| | Rates and taxes | | 18,803 | 396,262 |
| | Insurance | | 20,590 | 30,623 |
| | Amortisation on intangible assets | 17 | 4,922 | 2,461 |
| | Property, plant and equipment written off | | 2,202 | 75,709 |
| | Auditors' remuneration | 31.3 | 4,400 | 7,794 |
| | (Reversal) / charged of provision for slow moving stores | | (1,078) | 2,671 |
| | Loss on disposal of investment property | | - | 7,340 |
| | Miscellaneous | | 38,328 | 147,275 |
| | | | 12,660,974 | 23,813,756 |

31.1 This includes charge for employee gratuity of Rs. 70.53 million (June 30, 2025: Rs. 102.04 million), defined contribution plan (pension) of Rs. 88.82 million (June 30, 2025: Rs. 129.23 million), compensated absences of Rs. 81.56 million (June 30, 2025: Rs. 136.52 million) and bonus of Rs. 169.65 million (June 30, 2025: Rs. 302.79 million).

31.2 This includes stock-in-trade amounting to Rs. 9.02 million (June 30, 2025: Rs. 6.44 million) written off during the period.

| | | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000') | |
| **31.3** | **Auditors' remuneration** | | | |
| | Annual audit fee | | 1,635 | 3,521 |
| | Half yearly review fee | | 1,877 | 1,840 |
| | Statutory certifications | | - | 745 |



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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Group reporting | | 135 | 450 |
| Out of pocket expenses | | 524 | 482 |
| | | 4,171 | 7,038 |
| Sales tax | | 229 | 756 |
| | | 4,400 | 7,794 |

## 32 FINANCE COSTS

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| Markup on long term loans - secured | | 63,116 | 145,775 |
| Interest on lease liabilities | 11 | 69,578 | 102,801 |
| Credit card payment collection and bank charges | | 47,212 | 97,148 |
| | | 179,906 | 345,724 |

## 33 INCOME TAX EXPENSE / LEVIES

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| Current tax | | | |
| - for the period | | 1,084,671 | 1,765,172 |
| - prior period | | - | 147,519 |
| | 14 & 33.1 | 1,084,671 | 1,912,691 |
| Deferred | | (24,475) | (78,046) |
| | | 1,060,196 | 1,834,645 |

33.1 Reconciliation between current tax charged under the Ordinance with current tax recognised in the consolidated statement of profit or loss, is as follows:

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Current tax liability for the year as per the Ordinance | | | |
| Portion of current tax liability as per tax law, representing income tax under IAS 12 | | 1,084,671 | 1,904,974 |
| Portion of current tax liability as per tax law, representing levy in term of requirement of IFRIC 21 / IAS 37 | 33.2 | - | 7,717 |
| | | 1,084,671 | 1,912,691 |

33.2 This represents portion of final tax paid as per the Ordinance, representing levy in terms of requirements of IFRIC 21 / IAS 37.

| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|

## 34 EARNINGS PER SHARE - BASIC AND DILUTED

| | | |
|---|---|---|
| Profit for the period (Rupees in '000') | 1,602,044 | 2,257,919 |
| Weighted average number of ordinary shares in issue (Number) | 63,214,383 | 63,214,383 |
| Earnings per share - basic and diluted - (Rupees) | 25.34 | 35.72 |

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

## 35 CAPACITY UTILISATION

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

| | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|---|---|---|
| | Available bed days | | Occupied bed days | | Occupancy Ratio | |
| H-8 Hospital, Islamabad | 91,029 | 180,196 | 58,384 | 114,543 | 64.14% | 63.57% |
| Faisalabad Hospital | 10,488 | 20,805 | 3,497 | 6,957 | 33.34% | 33.44% |

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

## 36 UNAVAILED CREDIT FACILITIES

Unavailed credit facilities at period end other than those disclosed in Note 9 of the consolidated financial statements are as under:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| - Letters of credit | 200,000 | 193,485 |
| - Diminishing musharakah | 102,689 | 310,482 |
| - Ijarah financing | 51,709 | 51,709 |
| - Running musharkah | 500,000 | 500,000 |
| - Letter of guarantee | 27,963 | 30,368 |
| | 882,361 | 1,086,044 |



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| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Number) | |
| **37 NUMBER OF EMPLOYEES** | | |
| Group's number of employees | 5,986 | 5,665 |
| Group's average number of employees | 5,833 | 5,515 |

## 38 RELATED PARTIES TRANSACTIONS

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Related party transactions are based on the pricing policy approved by the board of directors of the SIHL. Transactions and balances with the related parties are given below:

| | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| **Shifa Foundation:** | | |
| **Transactions** | | |
| Revenue from medical and other services earned by the SIHL | 29,736 | 24,062 |
| Revenue from rent earned by the SIHL | 720 | 1,373 |
| Acquisition of 234,423 (June 30, 2025: 937,680) ordinary shares of SIHT (Private) Limited | 75,000 | 300,000 |
| **Balance** | | |
| Receivable - unsecured at the year end | 41,767 | 14,422 |

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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Tameer-e-Millat Foundation:** | | | |
| **Tranactions** | | | |
| Supplies provided to the SIHL | | 35,437 | 81,787 |
| Other services provided to the SIHL | 38.1 | 12,726 | 28,755 |
| Rental services received / earned by the SIHL | | 7,996 | 14,418 |
| **Balance** | | | |
| Payable - unsecured at the year end | | 7,120 | 4,186 |
| **Shifa Tameer-e-Millat University:** | | | |
| **Transactions** | | | |
| Revenue from medical and other services earned by the SIHL | | 14,175 | 26,063 |
| Revenue from rent earned by the SIHL | | 1,755 | 4,256 |
| Other services provided to the SIHL | 38.1 | 49,098 | 84,924 |
| Expenses paid by and reimbursed to the SIHL | | 835 | 20,487 |
| Expenses paid to and reimbursed by the SIHL | | - | 29,788 |
| **Balance** | | | |
| Payable - unsecured at the year end | | 83,106 | 42,798 |
| **SIHT (Private) Limited:** | | | |
| **Transactions** | | | |
| Share in revenue earned and other services provided by the Company | | 451,269 | 770,121 |
| Expenses paid by and reimbursed to the SIHL | | 2,596 | 4,534 |
| Other services provided to the SIHL | 38.1 | - | 3,544 |
| **Balance** | | | |
| Receivable - unsecured at year end | | 59,466 | 59,898 |
| **Shifa Cooperative Housing Society Limited:** | | | |
| **Transactions** | | | |
| Plot maintenance charges paid by the SIHL | | 1,065 | 2,571 |
| **Balance** | | | |
| Receivable / (payable) - unsecured at year end | | - | - |



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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **International Finance Corporation:** | | | |
| **Transactions** | | | |
| Dividend paid by the SIHL | | - | 18,964 |
| **Balance** | | | |
| Receivable / (payable) - unsecured at year end | | - | - |
| **SIHL Employees' Gratuity Fund Trust:** | | | |
| **Transactions** | | | |
| Payment made by the SIHL | | 116,842 | 215,360 |
| Dividend paid by the SIHL | | - | 196 |
| **Balance** | | | |
| Payable - unsecured at period end | | 56,416 | 102,728 |
| **Remuneration including benefits and perquisites of key management personnel** | 38.2 | 369,876 | 529,349 |

38.1 This represents services of nursing education, employees' children education and media services.

38.2 This includes employee retirement benefits amounting to Rs. 12.32 million (June 30, 2025: Rs. 19.09 million).

38.3 Following is the list of related parties and their shareholding for the period ended December 31, 2025:

| Sr. No. | 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* | 6.57% |
| 2 | Tameer-e-Millat Foundation | Common Directorship | N/A | 12.44% |
| 3 | SIHL Employees' Gratuity Fund Trust | Benefit plan | N/A | 0.12% |
| 4 | Shifa Tameer-e-Millat University | Common Directorship | N/A | 0.27% |
| 5 | Shifa CARE (Private) Limited | Associate and Common Directorship | 50% | Nil |
| 6 | SIHT (Private) Limited | Associate and Common Directorship | 50.0% | Nil |
| 7 | Shifa Cooperative Housing Society | Common Directorship | N/A | Nil |
| 8 | International Finance Corporation (IFC) | Associate | Nil | 12.00% |
| 9 | Ahmed E.H. Jaffer Foundation | Common Directorship | N/A | Nil |

*N/A stands for not applicable.



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## 39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| | Chief Executive | | Executive Directors | | Non Executive Directors | | Executives | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 |
| | (Rupees in '000') | | | | | | | |
| Managerial remuneration | 24,723 | 45,167 | 19,629 | 30,195 | 8,846 | 14,412 | 550,992 | 765,128 |
| Bonus | 1,997 | 2,145 | 1,362 | 1,221 | 290 | 331 | 37,257 | 26,703 |
| Defined contribution plan | 1,401 | 2,598 | 956 | 1,532 | - | - | 27,099 | 35,586 |
| Medical insurance | - | 125 | - | 94 | - | 277 | 2,544 | 6,684 |
| Leave encashment | 984 | 1,969 | - | 1,112 | - | - | 17,311 | 17,421 |
| | 29,105 | 52,004 | 21,947 | 34,154 | 9,136 | 15,020 | 635,203 | 851,522 |
| Number of persons | 1 | 1 | 1 | 1 | 9 | 9 | 198 | 147 |

39.1 The chief executive, executive director and eligible executives are provided with SIHL maintained vehicles.

39.2 Managerial remuneration includes Rs. 9.30 million (June 30, 2025: Rs. 8.70 million) paid to directors in respect of meeting fee.

39.3 Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.20 million (June 30, 2025: Rs. 1.20 million) during the period.

39.4 Travelling and other expenses of Rs. 29.38 million (June 30, 2025: Rs. 20.28 million) for official purposes are reimbursed by the SIHL to directors.

## 40 CASH AND CASH EQUIVALENTS

| | Note | July 01, 2025 to Decemb 2025 | 2024 to June 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Investment - at amortised cost | 27 | 1,048,289 | 47,520 |
| Cash and bank balances | 28 | 2,237,423 | 3,761,620 |
| | | 3,285,712 | 3,809,140 |



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## 41 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

| | Liabilities | | | Equity | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Long term financing | Government grant | Lease liabilities | Share capital | Share premium | Non- controlling Interest | Unappropriated profits | |
| | (Rupees in '000') | | | | | | | |
| **December 31, 2025** | | | | | | | | |
| **Balance at beginning of the period** | 1,101,583 | 7,025 | 699,419 | 632,144 | 2,738,888 | 2,967,066 | 9,203,864 | 17,349,989 |
| **Changes from financing cash flows** | | | | | | | | |
| Proceeds from long term financing | 553,724 | - | - | - | - | - | - | 553,724 |
| Repayments of long term financing | (136,667) | - | - | - | - | - | - | (136,667) |
| Payments of lease liabilties | - | - | (150,998) | - | - | - | - | (150,998) |
| NCI recognised during the period | - | - | - | - | - | 713,933 | - | 713,933 |
| Equity adjustment on acquisition of NCI | | | | | | (1,426,844) | (593,229) | (2,020,073) |
| Dividend paid | - | - | - | - | - | - | (299,005) | (299,005) |
| Total changes from financing cash flows | 417,057 | - | (150,998) | - | - | (712,911) | (892,234) | (1,339,086) |
| **Other changes** | | | | | | | | |
| Liability related | 4,343 | - | 628,055 | - | - | - | - | 632,398 |
| Amortisation of government grant | - | (4,343) | - | - | - | - | - | (4,343) |
| Equity related | | | | | | | | |
| Total comprehensive changes | - | - | - | - | - | (3,052) | 1,602,044 | 1,598,993 |
| Other changes | - | - | - | - | - | - | 12,224 | 12,224 |
| Changes in unclaimed dividend | - | - | - | - | - | - | (17,067) | (17,067) |
| Total of equity related changes | - | - | - | - | - | (3,052) | 1,597,201 | 1,594,150 |
| **Balance at end of the period** | 1,522,983 | 2,682 | 1,176,476 | 632,144 | 2,738,888 | 2,251,104 | 9,908,831 | 18,233,108 |
| | | | | | | | | |
| **June 30, 2025** | | | | | | | | |
| **Balance at beginning of the year** | 1,052,208 | 22,743 | 630,306 | 632,144 | 2,738,888 | 2,470,891 | 7,118,684 | 14,665,864 |
| **Changes from financing cash flows** | | | | | | | | |
| Proceeds from long term financing | 537,704 | - | - | - | - | - | - | 537,704 |
| Repayments of long term financing | (504,047) | - | - | - | - | - | - | (504,047) |
| Payments of lease liabilities | - | - | (236,081) | - | - | - | - | (236,081) |
| NCI recognised during the year | - | - | - | - | - | 385,743 | - | 385,743 |
| Dividend paid | - | - | - | - | - | - | (153,831) | (153,831) |
| Total changes from financing cash flows | 33,657 | - | (236,081) | - | - | 385,743 | (153,831) | 29,488 |
| **Other changes** | | | | | | | | |
| Liability related | 15,718 | - | 305,194 | - | - | - | - | 320,912 |
| Amortisation of government grant | - | (15,718) | - | - | - | - | - | (15,718) |
| Equity related | | | | | | | | |
| Total comprehensive changes | - | - | - | - | - | 110,432 | 2,207,099 | 2,317,531 |
| Other changes | - | - | - | - | - | - | 36,117 | 36,117 |
| Changes in unclaimed dividend | - | - | - | - | - | - | (4,205) | (4,205) |
| Total of equity related changes | - | - | - | - | - | 110,432 | 2,239,011 | 2,349,443 |
| **Balance at end of the year** | 1,101,583 | 7,025 | 699,419 | 632,144 | 2,738,888 | 2,967,066 | 9,203,864 | 17,349,989 |

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| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |

## 42 ADJUSTMENT OF NON-CASH INCOME AND EXPENSE

| | Note | July 01, 2025 to December 31, 2025 | July 01, 2024 to June 30, 2025 |
|---|---|---|---|
| Depreciation / amortisation | 31 | 566,446 | 1,083,652 |
| Amortisation on intangible assets | 31 | 4,922 | 2,461 |
| Expected credit losses | 26.2 & 43.1.3 | 98,686 | 141,016 |
| Property, plant and equipment written off | 31 | 2,202 | 75,709 |
| Gain on disposal of property, plant and equipment | 30 | (755) | (2,500) |
| Gain on termination of right of use assets | | - | (1,180) |
| Loss on disposal of investment property | 31 | - | 7,340 |
| Provision for compensated absences | 31 | 81,557 | 136,518 |
| Provision for defined contribution plan | 31 | 88,823 | 129,225 |
| Provision for bonus for employees | 31 | 169,646 | 302,795 |
| Provision for gratuity | 31 | 70,529 | 102,043 |
| (Reversal) / charged of provision for slow moving stores | 31 | (1,078) | 2,671 |
| Share of (profit) / loss of associates | 19 | 2,459 | (16,112) |
| Gain on investments and bank deposits | 30 | (176,024) | (297,882) |
| (Gain) / loss on foreign currency translation | 30 | (9,949) | (7,199) |
| Finance cost | 32 | 179,906 | 345,724 |
| | | 1,077,370 | 2,004,281 |

## 43 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 analyse 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.



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## 43.1 Credit risk

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

### 43.1.1 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:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Long term deposits | 119,662 | 117,961 |
| Trade debts | 2,313,210 | 1,461,456 |
| Other receivables | 164,335 | 153,116 |
| Markup accrued | 14,156 | 19,219 |
| Other financial assets | 2,126,863 | 1,075,513 |
| Bank balances | 2,208,759 | 3,746,906 |
| | 6,946,985 | 6,574,171 |

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

### 43.1.2 Counterparties

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

**Trade debts**

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

**Bank balances and investments**

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



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

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| | (Rupees in '000') | |
| Government companies | 1,648,807 | 1,004,186 |
| Private companies | 542,561 | 397,992 |
| Individuals | 417,081 | 340,532 |
| Related parties | 41,767 | 14,422 |
| | 2,652,215 | 1,757,132 |

**43.1.3 Impairment losses**

The ageing of trade debts at the reporting date was:

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | Gross debts | Allowance for ECL | Gross debts | Allowance for ECL |
| | (Rupees in '000') | | | |
| Not past due | 871,657 | 10,037 | 592,897 | 4,566 |
| 1 - 2 months | 833,204 | 37,121 | 463,688 | 13,068 |
| 3 - 4 months | 358,708 | 19,711 | 139,545 | 7,889 |
| 5 - 7 months | 151,135 | 27,772 | 123,122 | 17,642 |
| 8 - 12 months | 83,163 | 24,090 | 110,930 | 46,906 |
| Above 12 months | 354,348 | 220,274 | 326,950 | 205,605 |
| | 2,652,215 | 339,005 | 1,757,132 | 295,676 |

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

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Balance at beginning of the period | | 295,676 | 242,946 |
| Expected credit losses | | 97,274 | 52,730 |
| Bad debts written off | | (53,945) | - |
| Balance at end of the period | 24 | 339,005 | 295,676 |

43.1.4 The ageing of Shifa Foundation (SF) and SIHT (Private) Limited at the reporting date was:

| | Note | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|---|
| | | Gross debts / other receivables | Allowance for ECL | Gross debts / other receivables | Allowance for ECL |
| | | (Rupees in '000') | | | |
| **Shifa Foundation** | | | | | |
| 1 - 6 months | 24 | 41,767 | - | 14,422 | - |



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| | Note | December 31, 2025 Gross debts / other receivables | December 31, 2025 Allowance for ECL | June 30, 2025 Gross debts / other receivables | June 30, 2025 Allowance for ECL |
|---|---|---|---|---|---|
| | | ------------ (Rupees in '000') ------------ | | | |
| **SIHT (Private) Limited** | | | | | |
| 1 - 3 months | 26.1 | 59,466 | - | 59,898 | - |

43.1.5 The Group maintained balances of Rs. 2,208.76 million (June 30, 2025: Rs. 3,746.91 million) with Banks and Rs. 1,078.57 million (June 30, 2025: Rs. 1,027.99 million) with Asset Management Companies as at June 30, 2025. Management has assessed the credit quality of the counterparties as satisfactory. Geographical analysis and credit rating information is given below:

| Bank / financial institution | Credit Rating Agency | Rating Shor | Rating Long term | December 31, | June 30, 2025 |
|---|---|---|---|---|---|
| | | | | (Rupees in '000') | |
| **Pakistan:** | | | | | |
| Habib Bank Limited (HBL) | JCR - VIS | A1+ | AAA | 530,405 | 886,697 |
| Meezan Bank Limited | JCR - VIS | A1+ | AAA | 152,762 | 281,711 |
| Al - Baraka Bank (Pakistan) Limited | JCR - VIS | A1 | AA- | 1,253,761 | 1,970,886 |
| United Bank Limited (UBL) | JCR - VIS | A1+ | AAA | 2,301 | 21,062 |
| MCB Bank Limited | PACRA | A1 | A+ | 582 | 19,260 |
| Dubai Islamic Bank | JCR - VIS | A1+ | AA | 889 | 83,241 |
| Askari Bank Limited | PACRA | A1+ | AA+ | 2 | 14 |
| Faysal Bank Limited | JCR - VIS | A1+ | AA+ | 7,755 | 37,032 |
| Bank Alfalah Limited | PACRA | A1+ | AAA | 6,424 | 48,196 |
| Bank Al Habib Limited | PACRA | A1+ | AAA | 190,035 | 384,791 |
| National Bank of Pakistan (NBP) | JCR - VIS | A1+ | AAA | 1,991 | 13,890 |
| Habib Metropolitan Bank Limited | PACRA | A1+ | AA+ | 61,852 | 126 |
| UBL - Al Ameen Islamic Cash Fund | JCR - VIS | - | AA+(f) | 231,284 | 220,283 |
| NBP Islamic Money Market Fund | PACRA | - | AA(f) | 822,063 | 783,072 |
| HBL Cash Fund | JCR - VIS | - | AA+(f) | 24,092 | 24,636 |
| HBL Money Market Fund | JCR - VIS | - | AA+(f) | 1,135 | 2 |

**43.2 Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose, the Group has credit facilities as mentioned in notes 9 and 36 to these consolidated financial statements. Further, liquidity position of the Group is monitored by the Board through budgets, cash flow projections and comparison with actual results.



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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') | | | | | |
| **December 31, 2025** | | | | | | |
| Long term financing- secured | 1,525,666 | 118,795 | 138,377 | 317,260 | 651,234 | - |
| Deferred liabilities | 53,286 | - | - | 53,286 | - | - |
| Trade and other payables | 4,845,850 | 4,845,850 | - | - | - | - |
| Unclaimed dividend | 66,002 | 66,002 | - | - | - | - |
| Mark up accrued | 8,175 | 8,175 | - | - | - | - |
| | 6,498,979 | 5,038,822 | 138,377 | 370,546 | 651,234 | - |
| **June 30, 2025** | | | | | | |
| Long term financing-secured | 1,108,609 | 136,369 | 118,795 | 276,752 | 546,986 | 29,707 |
| Deferred liabilities | 44,846 | - | - | 44,846 | - | - |
| Trade and other payables | 3,948,428 | 3,948,428 | - | - | - | - |
| Unclaimed dividend | 48,935 | 48,935 | - | - | - | - |
| Mark up accrued | 7,974 | 7,974 | - | - | - | - |
| | 5,158,792 | 4,141,706 | 118,795 | 321,598 | 546,986 | 29,707 |

Maturity analysis of lease liabilities is given in note 11.

### 43.3 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 optimising the return on risk. The Group is exposed to currency, mark up rate and market price risk.

### 43.3.1 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:

The Group's exposure to foreign currency risk is as follows:

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | (Amount in '000') | | | |
| | Euro | USD | Euro | USD |
| Bank balances | - | 1 | - | 1,289 |
| Letters of credit | - | 872 | - | - |
| | - | 873 | - | 1,289 |
| | (Rupees in '000') | | | |
| Bank balances | - | 281 | - | 365,444 |
| Letters of credit | - | 245,389 | - | - |
| | - | 245,670 | - | 365,444 |



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The following significant exchange rates applied:

| | Average rate | | Closing rate | |
|---|---|---|---|---|
| | December 31, 2025 | June 30, 2025 | December 31, 2025 | June 30, 2025 |
| | (Rupees) | | | |
| **USD 1 - Buying** | 281.44 | 279.14 | 279.85 | 283.53 |
| **USD 1 - Selling** | 281.87 | 279.57 | 280.28 | 283.97 |

**Foreign currency sensitivity analysis**

A 10 percent variation of the PKR against the USD 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') | |
| **December 31, 2025** | | | |
| Foreign currencies | +10% | 14,986 | 14,986 |
| Foreign currencies | -10% | (14,986) | (14,986) |
| **June 30, 2025** | | | |
| Foreign currencies | +10% | 22,292 | 22,292 |
| Foreign currencies | -10% | (22,292) | (22,292) |

**43.3.2 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 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Financial assets** | | | |
| Investment - at amortised cost | 27.1 | 1,048,289 | 47,520 |
| Bank balances | 28 | 1,486,674 | 2,561,332 |
| | | 2,534,963 | 2,608,852 |
| **Financial liabilities** | | | |
| Financing - secured | 9 | (1,525,666) | (1,108,609) |
| | | 1,009,297 | 1,500,243 |



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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, 2025 would decrease / increase by Rs. 0.27 million (June 30, 2025: decrease / increase by Rs. 0.43 million). This is mainly attributable to the Group's exposure to markup rates on its variable rate borrowings.

**Price risk**

The Group's price risk arises from investments in units as disclosed in Note 27.2 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**

If the fair value of mutual fund investments at the year end had fluctuated by 1% higher or lower, with all other variables held constant, the profit after taxation for the year would have been higher or lower by Rs. 6.58 million (June 30, 2025: Rs. 6.27 million), primarily due to changes in the fair value of investments.

**43.4 Financial instrument by category**

| | Amortised cost | Fair value through profit or loss | Total |
|---|---|---|---|
| | -------- (Rupees in '000') -------- | | |
| **December 31, 2025** | | | |
| **Financial assets** | | | |
| **Maturity upto one year** | | | |
| Trade debts | 2,313,210 | - | 2,313,210 |
| Other receivables | 164,335 | - | 164,335 |
| Markup accrued | 14,156 | - | 14,156 |
| Other financial assets | 1,048,289 | 1,078,574 | 2,126,863 |
| Cash and bank balances | 2,237,423 | - | 2,237,423 |
| **Maturity after one year** | | | |
| Long term deposits | 119,662 | - | 119,662 |
| | 5,897,075 | 1,078,574 | 6,975,649 |



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| | Amortised cost | Fair value through profit or loss | Total |
|---|---|---|---|
| | -------- (Rupees in '000') -------- | | |
| **Financial liabilities** | | | |
| **Maturity upto one year** | | | |
| Trade and other payables | 4,845,850 | - | 4,845,850 |
| Unclaimed dividend | 66,002 | - | 66,002 |
| Markup accrued | 8,175 | - | 8,175 |
| Current portion of long term financing - secured | 257,150 | - | 257,150 |
| Current portion of lease liabilities | 230,301 | - | 230,301 |
| **Maturity after one year** | | | |
| Long term financing - secured | 1,268,516 | - | 1,268,516 |
| Deferred liabilities | 53,286 | - | 53,286 |
| Lease liabilities | 946,175 | - | 946,175 |
| | 7,675,454 | - | 7,675,454 |
| **June 30, 2025** | | | |
| **Financial assets** | | | |
| **Maturity upto one year** | | | |
| Trade debts | 1,461,456 | - | 1,461,456 |
| Other receivables | 153,116 | - | 153,116 |
| Markup accrued | 19,219 | - | 19,219 |
| Other financial assets | 47,520 | 1,027,993 | 1,075,513 |
| Cash and bank balances | 3,761,620 | - | 3,761,620 |
| **Maturing after one year** | | | |
| Long term deposits | 117,961 | - | 117,961 |
| | 1,799,272 | 1,027,993 | 6,588,885 |
| **Financial liabilities** | | | |
| **Maturing upto one year** | | | |
| Trade and other payables | 3,948,428 | - | 3,948,428 |
| Unclaimed dividend | 48,935 | - | 48,935 |
| Markup accrued | 7,974 | - | 7,974 |
| Current portion of long term financing - secured | 255,190 | - | 255,190 |
| Current portion of lease liabilities | 192,895 | - | 192,895 |



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| | Amortised cost | Fair value through profit or loss | Total |
|---|---|---|---|
| | -------- (Rupees in '000') -------- | | |
| **Maturing after one year** | | | |
| Long term financing - secured | 853,419 | - | 853,419 |
| Deferred liabilities | 44,846 | - | 44,846 |
| Lease liabilities | 506,524 | - | 506,524 |
| | 5,858,211 | - | 5,858,211 |

**43.5 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:

| | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|
| | Carrying value | Fair value | Carrying value | Fair value |
| | ----------------Rupees in '000'---------------- | | | |
| **Assets carried at amortised cost** | | | | |
| Long term deposits | 119,662 | 119,662 | 117,961 | 117,961 |
| Trade debts | 2,313,210 | 2,313,210 | 1,461,456 | 1,461,456 |
| Other receivables | 164,335 | 164,335 | 153,116 | 153,116 |
| Markup accrued | 14,156 | 14,156 | 19,219 | 19,219 |
| Other financial assets | 1,048,289 | 1,048,289 | 47,520 | 47,520 |
| Cash and bank balances | 2,237,423 | 2,237,423 | 3,761,620 | 3,761,620 |
| | 5,897,075 | 5,897,075 | 5,560,892 | 5,560,892 |
| **Assets carried at fair value** | | | | |
| Other financial assets | 1,078,574 | 1,078,574 | 1,027,993 | 1,027,993 |
| **Liabilities carried at amortised cost** | | | | |
| Long term financing - secured | 1,268,516 | 1,268,516 | 853,419 | 853,419 |
| Deferred liabilities | 53,286 | 53,286 | 44,846 | 44,846 |
| Lease liabilities | 946,175 | 946,175 | 506,524 | 506,524 |
| Trade and other payables | 4,845,850 | 4,845,850 | 3,948,428 | 3,948,428 |
| Unclaimed dividend | 66,002 | 66,002 | 48,935 | 48,935 |
| Markup accrued | 8,175 | 8,175 | 7,974 | 7,974 |
| Current portion of long term financing - secured | 257,150 | 257,150 | 255,190 | 255,190 |
| Current portion of lease liabilities | 230,301 | 230,301 | 192,895 | 192,895 |
| | 7,675,454 | 7,675,454 | 5,858,211 | 5,858,211 |

The basis for determining fair values is as follows:

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



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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.

## 44 FAIR VALUE HIERARCHY

**Other financial assets**

Fair value of investment in mutual funds (Note 27.2) has been determined using quoted repurchase price at reporting date and categorised under level 1 of fair value hierarchy.

**Fair value of land**

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

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

## 45 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSBILE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O 1278(I)/2024 dated August 15, 2024:

| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **Statement of Financial Position** | | | |
| Long term financing (including current portion) obtained as per islamic mode | 9 | 1,495,671 | 1,058,621 |
| Accrued markup on conventional loan | | - | - |
| Long term shariah compliant investments | 19 | 812,698 | 740,157 |
| Short term shariah compliant investments | 27 | 1,053,347 | 1,003,355 |
| Shariah compliant bank balances | 28 | 1,812,725 | 2,691,664 |
| **Statement of Comprehensive Income** | | | |
| Net revenue earned from shariah compliant business segment | 29 | 15,386,641 | 27,967,661 |
| Late payments or liquidated damages | | Not applicable | Not applicable |



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| | Note | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000') | |
| Gain on investment and dividend earned on shariah compliant investments | 30 | 49,992 | 53,493 |
| Profit earned from shariah compliant bank balances | 30 | 99,362 | 179,005 |
| Exchange gain earned from actual currency | 30 | 9,949 | 7,199 |
| Exchange gain earned on conventional derivative financial instruments | | Not applicable | Not applicable |
| Profit paid on islamic mode of financing | 32 | 62,690 | 145,023 |
| **Source and detailed breakup of other income** | | | |
| *Shariah compliant* | | | |
| Un-realised gain on investments at fair value through | 30 | 49,992 | 25,803 |
| Others | 30 | 127,156 | 286,725 |
| *Non-compliant income* | | | |
| Un-realised gain on investments at fair value through | 30 | 1,217 | 1,897 |
| Profit on bank balances | 30 | 7,641 | 9,364 |
| Interest income on treasury bills | 30 | 17,812 | 50,946 |
| Others | 30 | 10,755 | 8,467 |

**Relationship with sharia compliant financial institutions / takaful operators**

The Group maintains relationship with banks having Islamic window of operations in respect of bank balances amounting to Rs. 1,812.73 million (June 30, 2025: Rs. 2,442.12 million) and availed borrowing facilities from banks / financial institution amounting to Rs. 1,495.67 million (June 30, 2025: Rs. 1,058.62 million). The Group also has relationship with shariah compliant Asset Management Companies (AMCs), in respect of investment in mutual funds amounting to Rs. 1,053.35 million (June 30, 2025: Rs. 1,003.36 million). Further, the Group has takaful relationship with EFU General Insurance Limited and Jubilee General Insurance Company Limited.

## 46 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 December 31, 2025 are located in Pakistan. There is no customer with more than 10% of total revenue of the Group for the period.



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## 47 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. However, there is no significant reclassification during the period.

These consolidated financial statements have been prepared for a period of six months from July 01, 2025 to December 31, 2025, whereas the prior period financial statements were prepared for 12 months from July 01, 2024 to June 30, 2025. Hence, both current and corresponding figures are not comparable.

## 48 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the board of directors of the SIHL on April 25, 2026.

## 49 GENERAL

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

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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