



Shifa International Hospitals Limited

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

وَإِذَا مَرِضْتُ فَهُوَ يَشْفِينِ

When I am ill, it is He Who cures me





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# COMPANY PROFILE

Board of Directors: Dr. Zaheer Ahmad  
Chairman & CEO  
Dr. Manzoor H. Qazi  
Dr. Habib-Ur-Rehman  
Dr. Abdul Razaq  
Mr. Masood Aziz Syed  
Ms. Salma Quraishy  
Dr. Saeed A. Bajwa  
Mr. Muhammad Zahid  
Mr. Shafquat Ali Chaudhary  
Dr. Muhammad Saleem Khan

Audit Committee of the Board: Dr. Habib-Ur-Rehman  
Chairman  
Dr. Muhammad Saleem Khan  
Mr. Muhammad Zahid

Chief Operating Officer: Mr. Sohail A. Siddiqi

Chief Finance Officer: Syed Muneer Hussain

Senior Manager Finance: Wazir Muhammad, ACA

Company Secretary: Mr. Muhammad Naeem

Head of Internal Audit: Mr. Aqib Nazir

Auditors: M/s M. Yousuf Adil Saleem & Co.  
Chartered Accountants

Legal Adviser: M/s Bashir Ahmad Ansari & Company

Bankers: Allied Bank Limited  
Meezan Bank Limited  
Bank Alfalah Limited  
Askari Bank Limited  
MCB Bank Limited  
Bank Al Habib Limited

Registered Office: Sector H-8/4, Islamabad

Share Registrar: M/s. Corplink (Pvt) Limited  
Wings Arcade, 1-K, Commercial Model Town,  
Lahore.

## DIRECTORS' REVIEW

We feel pleasure in presenting the condensed interim financial information of the Company for the first quarter ended September 30, 2009.


Amidst severely disturbed political, economical and law & order situation, we remained mindful in executing the operations of your Company in an extremely careful and vigilant manner that is reflected by the better financial results of the Company during the period under review.

Our endeavor to provide more ease and comfort to our valued patients with the team of highly professional medical personnel in tandem with high-tech medical equipment substantiated the net revenue of Rs. 561.56 million versus net revenue of Rs. 471.35 million in the last corresponding period. Your Company earned net profit before taxation of Rs. 67.89 million despite 18.9% increase in operating expenses as compared to previous corresponding period. The net profit of the Company worked out to be Rs. 44.13 million and clinched earnings per share of Re. 0.87 against Re. 0.66 in the last corresponding period.

We are determined to expand the operations of the Company to different cities of the country by establishing lab pickup points, pharmacies and medical centers with aggressive marketing strategies focusing to acquaint the general public, at large, of our quality services being offered inside and outside Shifa.

We feel obliged to put on record the appreciation for our staff, management and consultants for their relentless efforts in providing the best services to the patients with unmatched quality and for the vendors, bankers and shareholders for their unremitting patronage.

For and on behalf of the Board



**Dr. ISHAQ AHMAD**

Chairman & CEO

Islamabad

October 29, 2009

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2009

	UNAUDITED SEPTEMBER 30, 2009	AUDITED JUNE 30, 2009
	(Rupees)	
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	505,138,000	505,138,000
Capital reserve	40,000,000	40,000,000
Unappropriated profit	396,589,021	350,662,855
	941,727,021	895,800,855
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
	610,294,064	612,088,722
<b>NON CURRENT LIABILITIES</b>		
Long term financing	486,726,190	524,821,428
Liabilities against assets subject to finance lease	8,086,182	10,618,723
Deferred taxation	280,932,894	259,163,297
	775,745,266	794,603,448
<b>CURRENT LIABILITIES</b>		
Trade and other payables	334,388,821	349,637,143
Markup accrued	18,063,580	17,741,382
Short term borrowings	28,407,299	46,817,667
Current portion of :		
long term financing	149,523,810	111,428,572
liabilities against assets subject to finance lease	8,110,866	7,194,183
Provision for taxation	2,451,369	4,016,150
	540,945,745	536,835,097
<b>CONTINGENCIES AND COMMITMENTS</b>		
	2,868,712,096	2,839,328,122



CHIEF EXECUTIVE

CONDENSED INTERIM  
FINANCIAL INFORMATION FOR THE  
FIRST QUARTER ENDED SEPTEMBER 30, 2009

	UNAUDITED	AUDITED
	SEPTEMBER 30, 2009	JUNE 30, 2009
	(Rupees)	
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,271,179,143	2,283,027,574
Long term deposits	11,551,367	12,170,207
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	50,066,423	47,799,008
Stock-in-trade	76,635,340	65,575,907
Trade debts	267,211,269	185,349,462
Loans and advances	38,153,488	34,429,312
Trade deposits and short term prepayments	44,030,246	41,684,870
Markup accrued	329,570	249,707
Other financial assets	12,722,328	35,574,658
Cash and bank balances	96,832,922	133,467,417
	585,981,586	544,130,341
	<u>2,868,712,096</u>	<u>2,839,328,122</u>

  
DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	SEPTEMBER 30, 2009	SEPTEMBER 30, 2008
	(Rupees)	
Net revenue	561,563,530	471,353,011
Other operating income	3,979,407	4,821,678
Operating costs	(474,006,830)	(398,401,682)
Finance cost	(23,641,481)	(26,704,023)
Profit before taxation	67,894,626	51,068,984
Provision for taxation	(23,763,119)	(17,874,143)
Profit for the year	44,131,507	33,194,841
Earnings per share - basic and diluted	0.87	0.66



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM  
FINANCIAL INFORMATION FOR THE  
FIRST QUARTER ENDED SEPTEMBER 30, 2009

CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	SEPTEMBER 30, 2009	SEPTEMBER 30, 2008
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	67,894,626	51,068,984
Items not involving movement of cash:		
Depreciation/ amortization of property, plant and equipment	36,937,361	31,203,917
Provision for doubtful debts and advances	300,000	300,000
Loss on sale of property, plant and equipment	26,190	-
Provision for compensated absences	3,646,977	1,245,375
Provision for gratuity	7,396,071	4,616,676
Financial charges	23,641,481	26,704,023
Operating cash flows before working capital changes	139,842,706	115,138,975
Working capital changes:		
(Increase)/ decrease in current assets:		
Stores, spare parts and loose tools	(2,267,415)	(2,939,422)
Stock in trade	(11,059,433)	(18,615,856)
Trade debts	(82,161,807)	(68,437,577)
Loans and advances	(3,724,176)	(11,880,151)
Trade deposits and short term prepayments	(2,345,376)	(2,675,665)
Markup accrued/ received	(79,863)	1,085,351
Other financial assets	22,852,330	-
(Decrease)/ Increase in trade and other payables	(15,231,252)	8,320,663
Cash generated from operations	45,825,714	19,996,318
Gratuity and compensated absences paid	(10,719,779)	(7,444,878)
Finance cost paid	(23,319,283)	(18,484,762)
Income tax paid	(3,558,303)	(4,262,003)
Net cash from/ (used in) operating activities	8,228,349	(10,195,325)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(24,702,304)	(57,318,136)
Proceeds from disposal of property, plant and equipment	1,500,000	-
Short term investment made	-	(82,057,613)
Long term deposits	618,840	(2,392,289)
Net cash used in investing activities	(22,583,464)	(141,768,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in long term financing	-	(6,250,000)
(Decrease)/ increase in short term borrowings	(18,410,368)	91,401,859
Repayment of principal portion of finance lease/ lease rentals	(3,273,940)	(3,683,750)
Dividend paid	(595,072)	(250,119)
Net cash (used in)/ from financing activities	(22,279,380)	81,217,990
Net decrease in cash and cash equivalents	(36,634,495)	(70,745,373)
Cash and cash equivalents at beginning of the period	133,467,417	168,611,576
Cash and cash equivalents at end of period	96,832,922	97,866,203

  
CHIEF EXECUTIVE

  
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	Share capital	Capital reserve	Unappropriated profit (Rupees)	Total
Balance at June 30, 2008	505,138,000	40,000,000	269,998,342	815,136,342
Net Profit for the period from July 01, 2008 to September 30, 2008	-	-	33,194,841	33,194,841
Transfer of incremental depreciation	-	-	697,658	697,658
Balance at September 30, 2008	505,138,000	40,000,000	303,890,841	849,028,841
Balance as at July 01, 2009	505,138,000	40,000,000	350,662,856	895,800,856
Net Profit for the period from July 01, 2009 to September 30, 2009	-	-	44,131,507	44,131,507
Transfer of incremental depreciation	-	-	1,794,658	1,794,658
Balance at September 30, 2009	505,138,000	40,000,000	396,589,021	941,727,021



CHIEF EXECUTIVE



DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL  
STATEMENTS [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

1. LEGAL STATUS AND NATURE OF BUSINESS

Shifa International Hospitals Limited (the Company) was incorporated in Pakistan on September 29, 1987 as a private limited company and converted into a public limited company on October 12, 1989. The Company is quoted on the Karachi, Lahore and Islamabad stock exchanges. The main object of the Company is to establish and run medical centres and hospitals in Pakistan. The Company has established its first Hospital in Islamabad. The registered office of the Company is located at Sector H-8/4, Islamabad.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information is unaudited and is being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2009. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2009, whereas comparative profit and loss account, comparative cash flow statement and comparative statement of changes in equity are stated from unaudited condensed financial information for the first quarter ended on September 30, 2008.

3. ACCOUNTING POLICIES

Accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the annual financial information for the year ended June 30, 2009.

4. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2009 by the Board of Directors of the Company.

5. GENERAL

Corresponding figures, wherever necessary, have been rearranged/reclassified for the purpose of comparison. However, no major rearrangement/reclassification has been made in this interim financial information.

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR

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