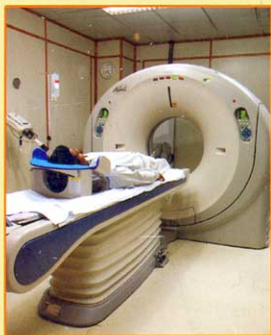


CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED  
SEPTEMBER 30, 2010



Shifa International Hospitals Limited



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# COMPANY PROFILE

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**Board of Directors:** Dr. Zaheer Ahmad  
Chairman & CEO  
Dr. Manzoor H. Qazi  
Dr. Habib-Ur-Rehman  
Mr. Muhammad Zahid  
Dr. Abdul Razaq  
Dr. Saeed A. Bajwa  
Dr. Muhammad Saleem Khan  
Mr. Shafquat Ali Chaudhary  
Shah Naveed Saeed  
Mr. Qasim Farooq Ahmad

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

**Chief Operating Officer:** Mr. Sohail A. Siddiqi

**Chief Finance Officer:** Syed Muneer Hussain

**Associate G.M. Finance:** Mr. Wazir Muhammad, ACA

**Company Secretary:** Mr. Muhammad Naeem

**Head of Internal Audit:** Mr. Muhammad Saeed

**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  
Askari Bank Limited  
MCB Bank Limited  
Emirates Global Islamic Bank  
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

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We are pleased to present the condensed interim financial information of the Company for the 1st quarter ended September 30, 2010.

During the period under review the revenues of the Company registered an increase by 32.9 % and worked out to be Rs. 746.5 million versus Rs. 561.6 million in the last corresponding period. Increase in business activities entailed the increase in cost of medicine, supplies, utilities, salaries & benefits, depreciation/amortization etc. which resulted into the increase of operating cost by 38.6 % as compared to previous corresponding period. Profit before taxation was subdued by the 19.9% increase in financial cost and the net profit before taxation worked out to be Rs. 63.0 million against the net profit before taxation of Rs. 67.8 million in the corresponding period of previous year. After providing provision for taxation of Rs. 22.0 million the net profit after taxation remained at Rs. 41.0 million as compared to Rs. 44.1 million in the last corresponding period. These result translated into the earnings per share of Re. 0.81 which was Re. 0.87 in the last corresponding period.

We are striving to deliver inpatient floor E-4 in the coming months. Furnishing activities are also being undertaken at Floor D2 for OPD Clinics. Renovation/furnishing of the state-of-the-art Diagnostic Centre with Lab and Gynae & Peads hospital in Faisalabad is also ongoing and we expect to make them functional in the next calendar year.

Board is appreciative of the inexorable efforts of consultants, management and staff in providing best services to the patients and unremitting patronage of vendors, bankers and shareholders.

For and on behalf of the Board



**Dr. ZAHEER AHMAD**

Chairman & CEO

Islamabad

October 26, 2010

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2010

	<b>UNAUDITED</b> <b>SEPTEMBER 30,</b> <b>2010</b>	<b>AUDITED</b> <b>JUNE30,</b> <b>2010</b>
	(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	478,497,677	435,691,279
	1,023,635,677	980,829,279
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
	603,114,830	604,909,488
<b>NON CURRENT LIABILITIES</b>		
Long term financing	457,360,339	504,338,678
Liabilities against assets subject to finance lease	897,263	2,194,698
Deferred taxation	335,293,888	326,460,589
	793,551,490	832,993,965
<b>CURRENT LIABILITIES</b>		
Trade and other payables	453,348,781	433,925,309
Markup accrued	24,526,605	15,590,405
Short term borrowings	106,327,457	147,922,713
Current portion of :		
long term financing	227,913,359	227,913,359
liabilities against assets subject to finance lease	6,748,842	7,300,734
Provision for taxation	1,273,480	988,417
	820,138,524	833,640,937
<b>CONTINGENCIES AND COMMITMENTS</b>		
	3,240,440,521	3,252,373,669



**CHIEF EXECUTIVE**

CONDENSED INTERIM FINANCIAL INFORMATION FOR THE  
FIRST QUARTER ENDED SEPTEMBER 30, 2010

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	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>SEPTEMBER 30, 2010</b>	<b>JUNE30, 2010</b>
	(Rupees)	
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,596,578,287	2,594,352,212
Long term deposits	8,912,924	8,819,624
	2,605,491,211	2,603,171,836
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	61,275,727	62,045,044
Stock-in-trade	78,467,093	82,557,630
Trade debts	333,149,250	221,671,184
Loans and advances	39,223,483	38,232,612
Trade deposits and short term prepayments	43,113,905	45,329,104
Markup accrued	270,986	220,905
Other financial assets	16,191,232	15,912,055
Cash and bank balances	63,257,634	183,233,299
	634,949,310	649,201,833
	3,240,440,521	3,252,373,669

*Mazumdar Singh*  
**DIRECTOR**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010**

	September 30, 2010	September 30, 2009
	(Rupees)	
Net revenue	746,477,110	561,563,530
Other operating income	2,258,658	3,979,407
Operating costs	(657,339,827)	(474,006,830)
Finance cost	(28,300,957)	(23,641,481)
Profit before taxation	63,094,984	67,894,626
Provision for taxation	(22,083,244)	(23,763,119)
Profit for the period	<u>41,011,740</u>	<u>44,131,507</u>
<b>Earnings per share - basic and diluted</b>	<u><b>0.81</b></u>	<u><b>0.87</b></u>

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010**

	<u>September 30, 2010</u>	<u>September 30, 2009</u>
	<u>(Rupees)</u>	
<b>Profit for the period</b>	41,011,740	44,131,507
Other comprehensive income - net of tax	-	-
<b>Total comprehensive income for the period</b>	<u>41,011,740</u>	<u>44,131,507</u>

  
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CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR

## CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED] FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	September 30, 2010	September 30, 2009 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	63,094,984	67,894,626
Adjustments for:		
Depreciation/amortization of property, plant and equipment	42,408,713	36,937,361
Provision for doubtful debts	1,050,000	300,000
Property, plant and equipment written off	53,194	-
Loss on disposal of property, plant and equipment	-	26,190
Provision for compensated absences	1,759,386	3,646,977
Provision for gratuity	6,124,541	7,396,071
Profit on investments and bank deposits	(1,814,545)	(2,572,571)
Financial charges	28,300,957	23,641,481
Operating cash flows before working capital changes	140,977,230	137,270,135
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	769,317	(2,267,415)
Stock in trade	4,090,537	(11,059,433)
Trade debts	(112,528,066)	(82,161,807)
Loans and advances	(990,871)	(3,724,176)
Trade deposits and short term prepayments	2,215,199	(2,345,376)
Other financial assets	(279,177)	22,852,330
Increase/(decrease) in trade and other payables	24,169,453	(15,231,252)
Cash generated from operations	58,423,622	43,333,006
Finance cost paid	(19,364,757)	(23,319,283)
Income tax paid	(12,964,883)	(3,558,303)
Payment to gratuity fund	(6,942,964)	(10,016,616)
Compensated absences paid	(1,023,844)	(703,163)
Net cash from operating activities	18,127,174	5,735,641
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(44,522,168)	(24,702,304)
Proceeds from disposal of property, plant and equipment	35,650	1,500,000
Profit received	1,764,464	2,492,708
(Increase) / decrease in long term deposits	(93,300)	618,840
Net cash used in investing activities	(42,815,354)	(20,090,756)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - repayments	(46,978,339)	-
Decrease in short term borrowings	(41,595,256)	(18,410,368)
Repayment of principal portion of finance lease	(1,849,327)	(3,273,940)
Dividend paid	(4,864,563)	(595,072)
Net cash used in financing activities	(95,287,485)	(22,279,380)
Net decrease in cash and bank balances	(119,975,665)	(36,634,495)
<b>Cash and bank balances at beginning of period</b>	183,233,299	133,467,417
<b>Cash and bank balances at end of period</b>	63,257,634	96,832,922

  
CHIEF EXECUTIVE

  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010**

	Share capital	Capital reserve (Rupees)	Unappropriated profit	Total
Balance at July 01, 2009	505,138,000	40,000,000	350,662,856	895,800,856
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	44,131,507	44,131,507
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	44,131,507	44,131,507
Transfer of depreciation on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	1,794,658	1,794,658
Balance at September 30, 2009	<u>505,138,000</u>	<u>40,000,000</u>	<u>396,589,021</u>	<u>941,727,021</u>
Balance at July 01, 2010	505,138,000	40,000,000	435,691,279	980,829,279
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	41,011,740	41,011,740
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	41,011,740	41,011,740
Transfer of depreciation on incremental value arising on revaluation of property, plant and equipment attributed to current period	-	-	1,794,658	1,794,658
Balance at September 30, 2010	<u>505,138,000</u>	<u>40,000,000</u>	<u>478,497,677</u>	<u>1,023,635,677</u>

  
CHIEF EXECUTIVE

  
DIRECTOR

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL  
INFORMATION [UNAUDITED]  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010**

**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 listed on all the three stock exchanges of Pakistan. The registered office of the Company is located 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 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 the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2010. Comparative figures of the balance sheet are extracted from annual audited financial statements for the year ended June 30, 2010, whereas comparative profit and loss account, cash flow statement and statement of changes in equity are stated from unaudited condensed financial information for the quarter ended September 30, 2009.

**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 Statements for the year ended June 30, 2010.

**4. GENERAL**

**4.1** Figures have been rounded off to the nearest rupee.

**4.2** This condensed interim financial information was authorized for issue on October 26, 2010 by the Board of Directors of the Company.

  
CHIEF EXECUTIVE

  
DIRECTOR

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Shifa International Hospitals Ltd.  
Sector : H-8/4, Islamabad - Pakistan

