

# Three decades as a leading provider of psychiatric care



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## What is Mental Health?

A person's psychological and emotional well being enables an individual to carry out life's daily routine and cope with normal stresses that are part of life.

Not all individuals may be blessed with this capability. There may be a gap when a person feels unable to work productively and contribute effectively to the community. The most simple of routines may become a burden and fulfilling a family obligation may tax the nerves. That gap is what measures the extent of mental illness an individual may be suffering.



Around **450**

million people currently suffer from such conditions, thus placing mental disorders among the leading causes of ill health and disability.



Depression is the leading cause of disability worldwide and a major contributor to the global burden of disease.

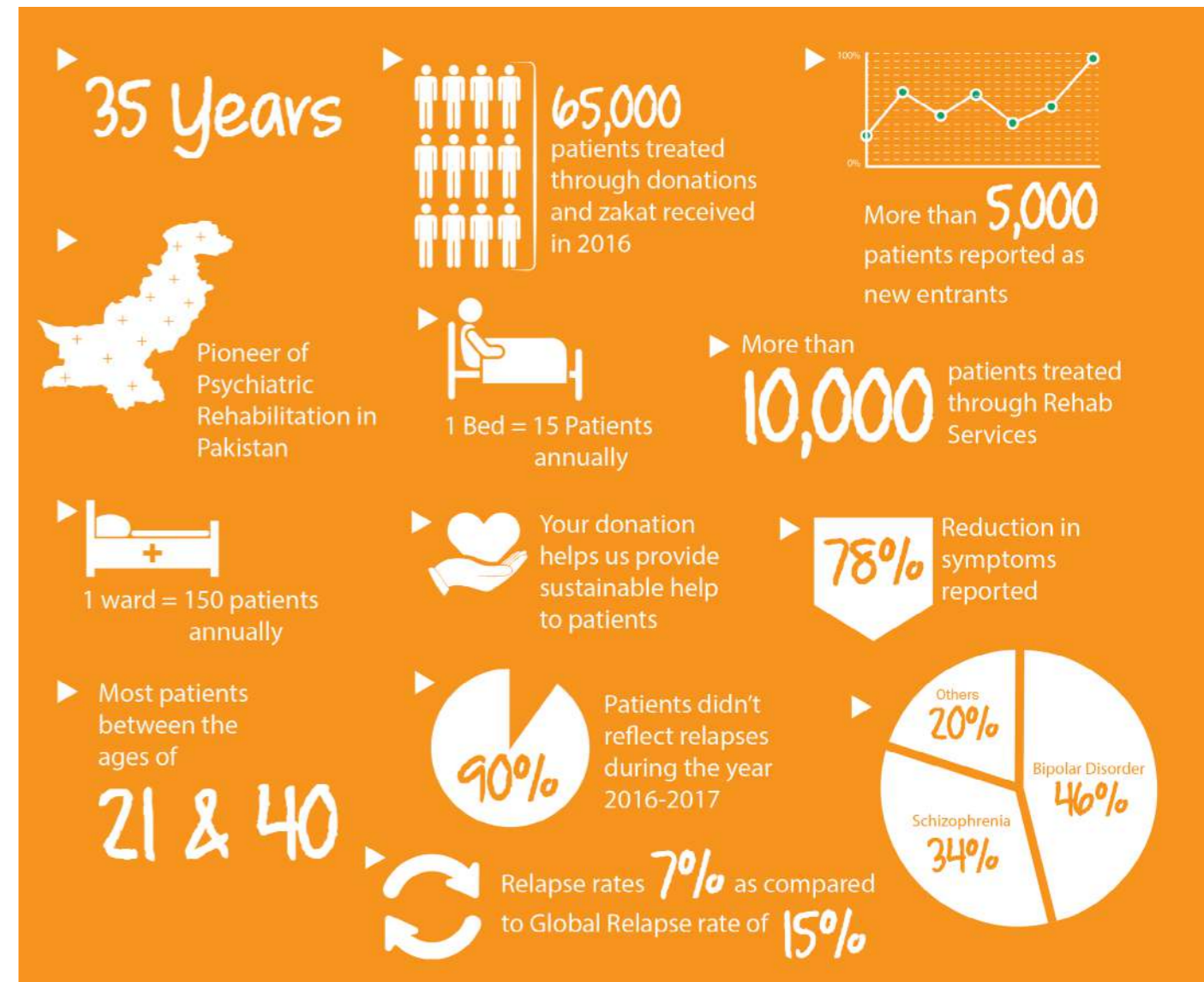
Around **800,000** people die due to suicide every year and it is the second leading cause of death in **15-29** years old



One in four people in the world will be affected by mental or neurological disorders at some point in their lives.

## Challenge and Change

The stigma associated with mental illness has been Karwan-e-Hayat's greatest challenge. Starting with modest steps and armed with a determination of providing healing options to individuals suffering from mental health challenges, Karwan has given hope and a better future to thousands of patients.



## Vision

Our vision is to achieve the highest standards in providing psychiatric and rehabilitation services to the mentally disturbed members of society, especially the poor and marginalized and to offer them opportunities to improve their quality of life.

We aim to train and develop mental health professionals and to participate in research that will contribute to greater knowledge and understanding of mental health issues.

We are committed to mainstreaming the guiding principles of mental health into health policies at different levels.

We envision a society that understands good mental health practices, and protects and treats people suffering from mental disorders with dignity, fairness and respect.

## Mission

- To work for the prevention, relief and treatment of mental illness
- To work towards the rehabilitation of mentally distressed people, especially the under privileged and deprived
- To raise public awareness about mental illness and to foster behavioural change in society
- To organize, train and maintain a team of dedicated Psychiatrists, Psychologists, Occupational Therapists and Social Workers to ensure a competent and ongoing mental health service

# Values

At Karwan-E-Hayat the values that we subscribe to and strive to inculcate in our medical staff and all care givers are:

**Compassion:**

We shall treat our patients humanely and with understanding.

**Hope:**

We shall consistently spread the message that mental illness is treatable and can be managed with professional help.

**Commitment:**

We shall focus all our efforts and actions on people faced with mental illness, more specifically the poor and underserved.

**Integrity:**

We shall not compromise on providing good quality patient care. Our autonomy ensures our integrity.

**Determination:**

We shall never give up challenging discrimination and will reduce the stigma against the mentally ill.

**Excellence:**

We shall apply the best clinical and rehabilitative practices to our patients.

**Collaboration:**

We shall develop partnerships within our community as well as with national and international organizations in the field of psychiatry.

**Education:**

We shall be a learning organization that grows through knowledge exchange, research and continuing education.



# Message from the President

It is heartening to note that awareness of mental illness as a debilitating condition is spreading each year, chipping away at the stigma of mental affliction little by little. Through awareness campaigns and a global focus on the issue, people hitherto closed minded about mental problems, are beginning to address the prevalence of mental ill health within families and at the work place.

At Karwan-e-Hayat, we are pleased to highlight our role in Pakistan as a pioneer in mental health rehabilitation. We work tirelessly to bring awareness within homes and in the professional arena. For KeH to be successful in helping patients suffering from mental disease, it is vital that Pakistani society as a whole understands and acknowledges this underserved but widespread ailment.

For 35 years KeH has been at the forefront, providing Psychiatric services in Pakistan and implementing a policy of never turning a patient away. Our special attention has been on reaching out to people from the underprivileged section of society.

We are actively working with community leaders, prominent organizations, schools and universities to promote awareness and to convey the message that 'Mental Illness is treatable.'

Advocacy regarding mental illness is just as important as the treatment itself and I urge all supporters of Karwan-e-Hayat to join us in this call for action by advocacy.

I am also excited about our broadening scope in the field of education and research as we move towards setting up opportunities at KeH for a Post-Graduate specialization in Psychiatry.

Karwan-e-Hayat is blessed to have patrons like you, who enable us to treat helpless sufferers of mental illness, many of whom would otherwise have been abandoned on the streets.

Thank you for your continued support and may Allah bless you for your kindness!

Saleemuddin Ahmed  
President  
Karwan-e-Hayat

# Message from the CEO

This has been a hectic year for my team and I am happy to state that Team Karwan was highly successful in achieving its annual goals.

At Karwan-e-Hayat this year we focused on improving service delivery and by concentrating on our patients' recovery program through personalized care and support – particularly for the extremely needy and underprivileged patients.

We also focused on building an internal team which is focused on recovery and the needs of service users and their caregivers.

This year we expanded our community outreach program to areas other than Korangi and Malir, extending towards Sikandarabad, Lyari and Machchhar Colony. We have developed a team of case managers, social workers and community mobilizers who help in the screening of mentally ill patients in these communities and provide awareness to the people about mental illness. These teams also accompany psychiatrists and psychologists to visit patients at their homes and ensure that they are receiving their medication and counseling, hence reducing the incidences of relapse. Case managers empower the patients in managing their illnesses in an effective manner.

Karwan-e-Hayat is dedicatedly pursuing excellent service delivery and patient care. All efforts are geared towards more facilitation for destitute patients and to never turn a patient from our doors.

I entreat our donors to please support us in our endeavours and help us spread Karwan's outreach to serve many more, as it is the foremost facility for mentally ill patients.

I sincerely thank all our donors whose generous financial support thus far has allowed us to treat so many poor and destitute members of society who would otherwise have had an anguished existence.

I look forward to your continued support of Karwan-e-Hayat – our charitable services would not be possible without your help.

Thank you!

Zaheeruddin Babar  
CEO, Karwan-e-Hayat

# Board of Directors



## President, Chairman of the Board

Mr Saleemuddin Ahmed

## Vice President, Vice Chairman of the Board

Mr Kamran Y. Mirza

## Directors

Mr Imran Khalid Zafar  
 Mr Muhammad Shahid Farooqui  
 Mrs Qaisra Ahmed  
 Mrs Rehana Alam  
 Mr Saeed Akhtar  
 Mrs Shameem Zuberi  
 Ms Talaat Naeem Tyabji



# Advisory

## Advisory Board

Professor Dr Murad Moosa Khan  
 Department of Psychiatry  
 Aga Khan University (AKU) Hospital

Mr Justice (Retd) M. Shaiq Usmani  
 Retired Judge, Sindh High Court

Mr Jamshed Qureshi  
 Chairman, Bond Avertising (Pvt) Ltd

## Shariah Advisory Board

Mufti Ibrahim Essa  
 Mufti Haris Hanif

## Tax Advisor

Munif Ziauddin & Co  
 Chartered Accountants

## Auditors

Deloitte Yousuf Adil  
 Chartered Accountants

## Technical Advisory Board

Professor Russel C. Smith  
 Rutgers University

Dr Carlos W. Pratt  
 Rutgers University

Dr Naim Siddiqui  
 Sindh Institute of Urology &  
 Transplantation

Professor Raza-ur-Rehman  
 Dow University of Health Sciences

Dr Ajmal Kazi  
 Senior Advisor and Consultant KeH

## Legal Advisor

Usmani & Ibal

## Internal Auditor

Grant Thornton Anjum Rahman  
 Chartered Accountants



# Corporate Governance

## Board Committee

Five committees ensure smooth functioning of Karwan-e-Hayat. These include:

### Management Committee

Mr Saleemuddin Ahmed, Convener  
Mr Saeed Akhtar  
Mr Muhammad Shahid Farooqui  
Mrs Rehana Alam  
Mr Zaheeruddin Babar  
Mr Ali Asghar

### Human Resource Committee

Mr Muhammad Shahid Farooqui, Chairman  
Mr Saeed Akhtar  
Mr Zaheeruddin Babar  
Mr Muhammad Furquan

### Audit Committee

Mr Kamran Y. Mirza, Chairman  
Mr Saeed Akhtar  
Mrs Rehana Alam  
Mrs Shameem Zuberi  
Mr Shahid Farooqui  
Mr Ali Asghar

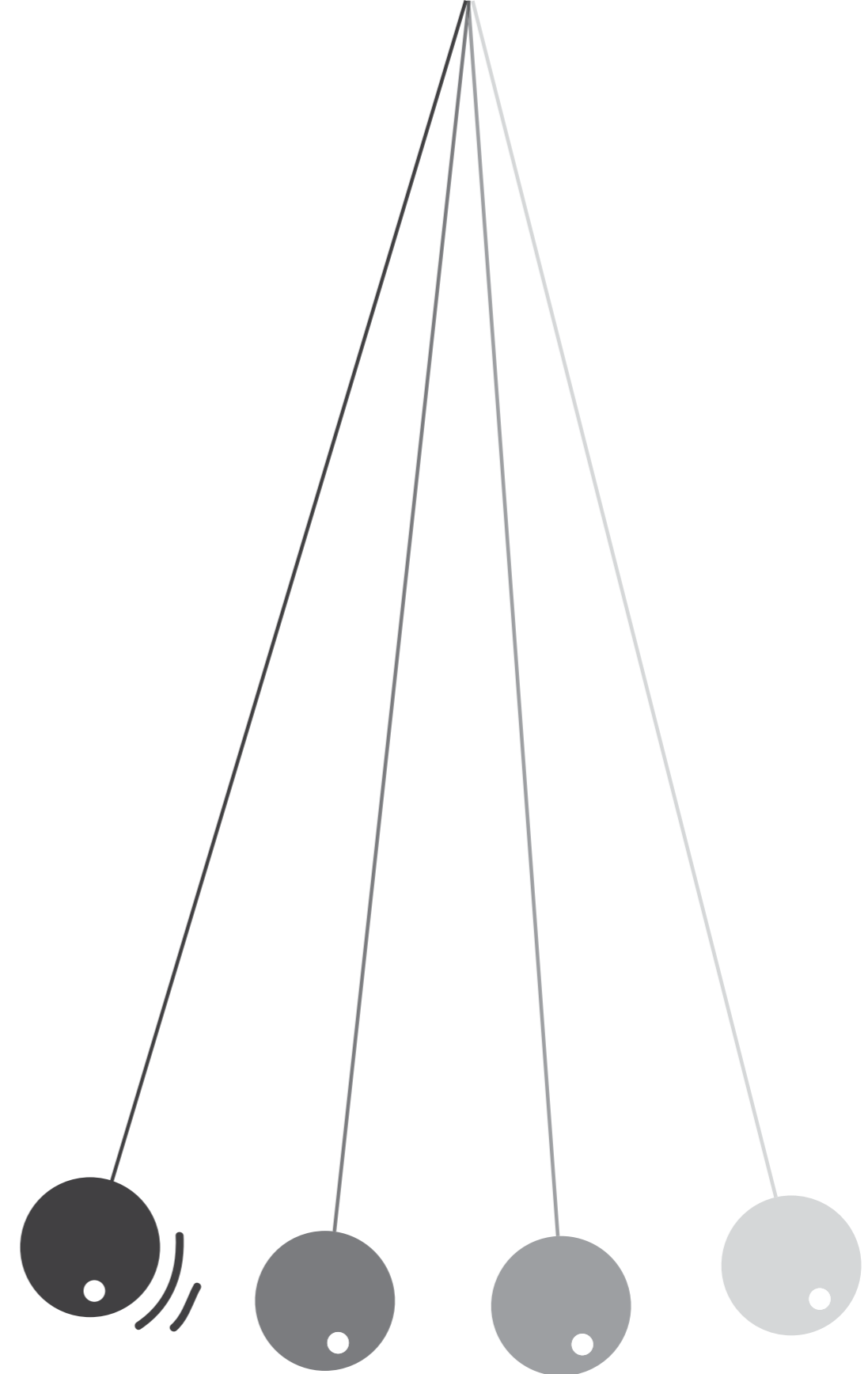
### Medical Services & Ethics Committee

Mr Imran Khalid Zafar, Convener  
Mrs Shameem Zuberi  
Mrs Qaisra Ahmed  
Ms Talaat Tyabji  
Mr Zaheeruddin Babar  
Dr Uroosa Talib

### Fundraising & Awareness Committee

Mrs Qaisera Ahmed, Convener  
Mr Saleemuddin Ahmed  
Mr Saeed Akhtar  
Mrs Rehana Alam  
Ms Talaat Tyabji  
Mr Muhammad Shahid Farooqui  
Mrs Shameem Zuberi  
Mr Zaheeruddin Babar  
Mr Shahzad Zaki  
Dr Omar Farooq

Endorsing recommendation of the Audit Committee, the Directors appointed **M/S Deloitte Yousuf Adil** as the auditors for the financial year 2017-2018.





# Karwan Team



## ADMINISTRATIVE

**Chief Executive Officer**  
Zaheeruddin Babar

**Financial Controller & Company Secretary**  
Muhammad Ali Asghar

**Head of Administration**  
Lt Col © Syed Akhtar Abbass

**General Manager Marketing & Fundraising**  
Shahzad Zaki

**General Manager Communications**  
Maheen A. Rashdi

**Manager Human Resources**  
M. Furquan Khan

**Manager Monitoring & Evaluation**  
Tamkeen Abbasi

**Project Manager**  
Dr Omar Farooq

**Research Associate**  
Nasir Mehmood

## MEDICAL

**Volunteer Consultants**  
Dr Nusrat Baloach  
Dr Shifa Naeem

**Senior Advisor and Consultant**  
Dr Syed Ajmal Kazmi

**Dean Post Graduate Program**  
Dr Zafar Haider

**Head of Medical Services**  
Dr Uroosa Talib

**In-Charge KCPC**  
Dr Ghulam Rasool

**In-Charge Jami**  
Dr Sindhiya Abbasi

**In-Charge Outpatient**  
Dr Raja Khetpal

**In-Charge Community Outreach**  
Dr Ashfaque

**In-Charge Psychiatric Rehabilitation**  
Yasirah Gouhar

**Nursing Coordinator**  
Shawkat Hussain

**In-Charge Female ward**  
Dr Tabbasum Waris

**In-Charge Male ward**  
Dr Ambreen Mushtaq

# Karwan's Commitment

Established in 1983 as a not-for-profit, welfare organization, Karwan-e-Hayat (KeH) was an initiative conceptualized by a handful of notable, conscientious citizens of Karachi.

Dr Zafar Qureshi, Begum Rana Liaquat Ali Khan, Begum Tazeen Faridi, Professor Zaki Hassan, Ms Anita Ghulam Ali, Dr Abdul Husaini, Begum Shaista Ikramullah and Cardinal Joseph Cordeiro, the Archbishop of Karachi, were the earliest patrons and visionaries of their respective fields. It was their foresight which now enables Karwan-e-Hayat to provide treatment and rehabilitation services to the most neglected, mentally ill patients in Pakistan.

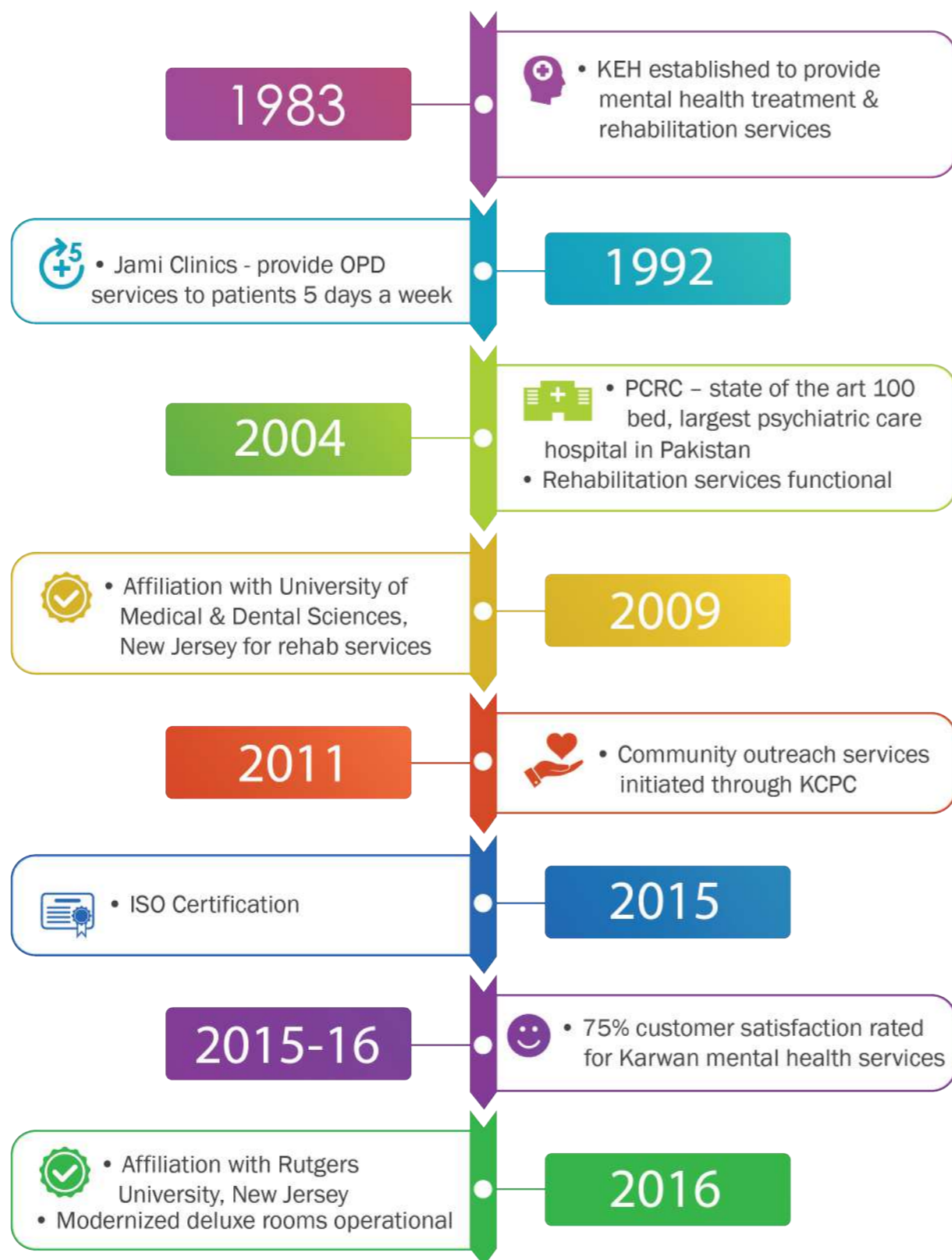
**With its well-maintained facilities offering a wide range of mental health services, Karwan-e-Hayat is acknowledged as the leading provider of psychiatric care in Karachi especially for the poor and underprivileged who cannot afford specialized care.**

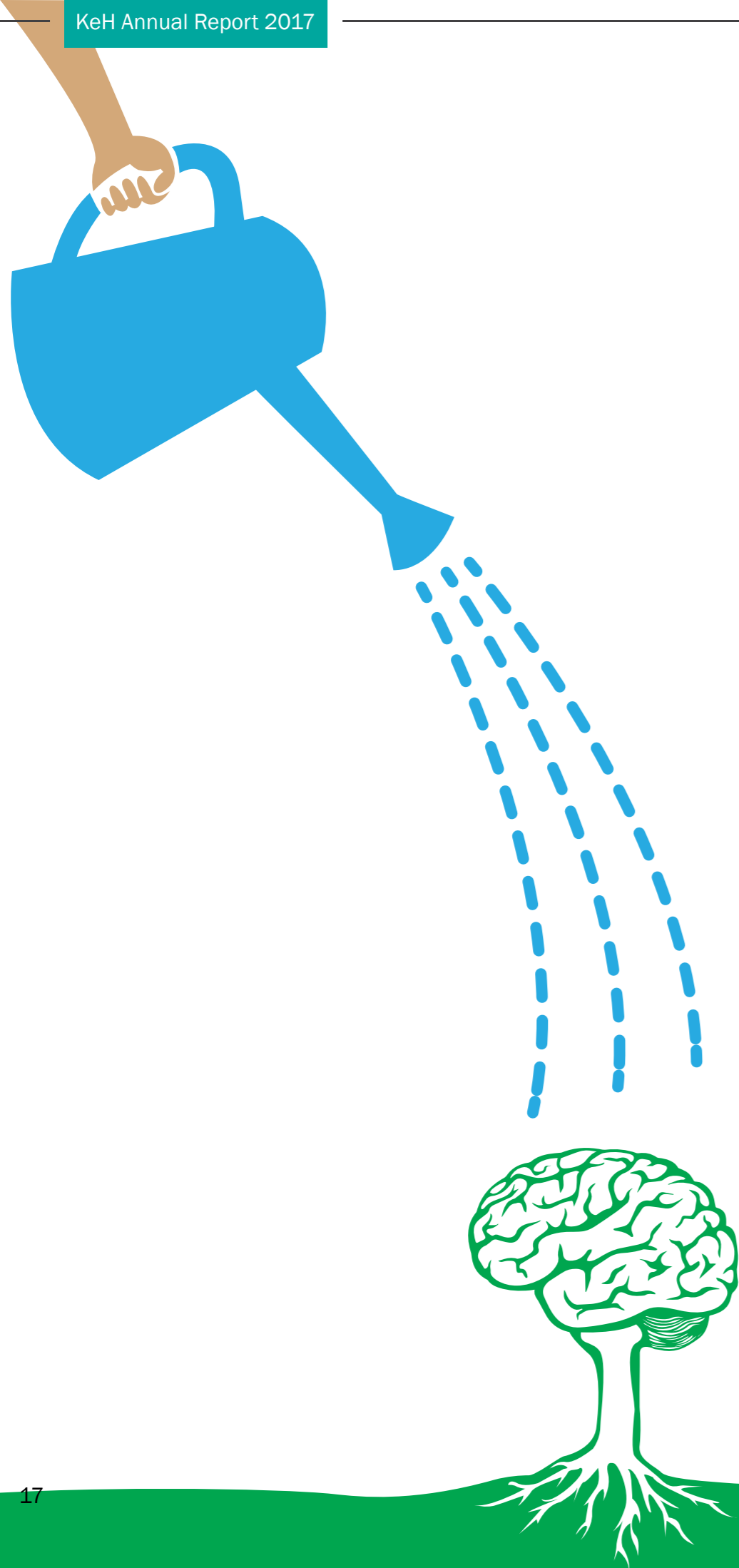
To many from the impoverished segments in Karachi – a city with a population of over 20 million – access to even regular health facilities is difficult. In the case of mental disorders, from which countless individuals suffer in agonizing silence, it usually spells a tragic end or a banished existence. Offering them a new beginning has been KeH's great achievement.

Our aim is to ensure that patients receive:

- Quality medication to control symptoms of circumstantial influences or chemical imbalances in the brain;
- Therapy and counselling to ease the mentally ill patients' violent behaviour and in many cases, suicidal tendencies; and
- Rehabilitation to achieve functionality

*No patient walking into KeH is denied medical access and medical service is provided totally free to all 'in-need' patients.*





# The Treatment Plan

At KeH, we believe in holistic treatment through an individualized approach based on the separate needs of each patient.

When a patient walks in to Karwan-e-Hayat, she or he is ensured sensitive support, keeping in mind the long and arduous journey the patient has undertaken to finally seek medical help.

After the initial registration process – for all outpatients and inpatients – a detailed treatment plan is made specifically as per the assessed diagnosis of the patient by one of KeH's three consulting psychiatrists.

Registered as a not-for-profit welfare organization under Section 42 of the Companies' Ordinance 1984, Karwan-e-Hayat operates from three locations in Karachi:

- **Psychiatric Care & Rehabilitation Centre (PCRC)**

PCRC is a unique, purpose-built, state of the art 100 bed psychiatric care facility, established in 2004 to cater to the diverse needs of patients, under one roof. Providing services through Outpatients Clinic; an Inpatient Unit; a Day Care Unit and a Rehabilitation Centre, PCRC is the largest psychiatric care hospital in Pakistan.

- **Jami Outpatient Clinic**

Established in 1992, the clinic provides outpatient medical services, five days a week, to facilitate a growing number of daily, walk-in patients suffering from mental illnesses.

- **Korangi Community Psychiatric Centre (KCPC)**

KCPC began operations in November 2011 to provide community based psychiatric care through an OPD, Day Care and Rehabilitation facilities. Through the Centre, community mobilizers and case workers also conduct follow up home visits to ensure quality care and support to home based patients, thus reducing chances of relapse and the cost of treatment. Day care centre patients have the opportunity to be involved with stitching, painting and arts and crafts classes, thus widening the scope of their employable skills.



At all three centres, treatment and care is provided via proficient, interdisciplinary teams of Psychiatrists, Clinical Psychologists, Occupational Therapists, Social Workers, Psychiatric Nurses and Community Workers.

**The fees waiver (70%, 80% or 100%) is applied as per the patient's economic position. However, if the patient has means and is able to pay for the treatment and hospitalization, KeH has special private rooms ranging from General to Semi-Private and from Standard to Deluxe rooms which are fully able to cater to the patients' living standards.**



# Recovery and Management



Once the immediate symptoms have eased, patients are enrolled in a rehabilitation program based on Illness Management and Recovery.

This is a comprehensive, integrated plan with a timetable of activities aimed at empowering patients to achieve a sense of confidence by improving their social and interactive skills. It helps promote functional recovery and reduce the incidences of relapse through a three-step process:

## First Step Recovery Program

With an average duration of 3-weeks, the first step focuses on the patient's psychiatric assessment & counselling sessions. Counselling includes clinical as well as leisure and lifestyle group therapy.

Clinical Therapy	Leisure & Lifestyle Therapy
<ul style="list-style-type: none"> <li>Wellness Recovery Action Plan (WRAP)</li> <li>Mind Over Mood Anger Management</li> <li>Family Psycho Education</li> </ul>	<ul style="list-style-type: none"> <li>Social &amp; Communication Skills</li> <li>Yoga</li> <li>Self Grooming</li> <li>Embroidery, Cooking, Music</li> <li>Gym, Hygiene &amp; Nutrition</li> </ul>



The objective in the first step of recovery is to facilitate hope and inspiration. At the end of the first step, the patient is able to accept and acknowledge his / her illness and develop a desire to change.

### Second Step Recovery Program

This is typically a 3-month engagement at the end of which the patient is able to understand the consequences of behaviour outcomes and differentiate between rational and irrational approaches.

Activities are the same as in the first step of recovery, however, of a longer duration – 45 to 60 minutes – since the patient is in a better state of mind and can concentrate more. Additionally, clinical therapy also includes:

- Illness Management & Recovery (IMR)
- Pathways to Recovery
- Positive Psychology
- Cognitive Behaviour Modification Techniques

### Third Step Recovery Program

Mostly based on occupational therapy, patients are kept engaged in a variety of activities and treatments including:

- Psychiatric Consultation
- Psychotherapy
- Case Management
- Sheltered or Supported Employment
- Booster IMR Support Group

The recovery program is designed such that the patients discover their potential from within while reclaiming their sense of self-worth. They come to understand their illness and learn to interact better with the family, the community and the case manager.



# Living Well with Mental Health



### Day Care Services

Treatment strategies for living well with mental illness must always include daily activity plans.

In community settings, occupational therapists make use of activity routines as one of the primary mediums of treatment which are considered vital in recovering mental health.



At KeH, all patients are automatically enrolled in our Day Care Program designed to keep them involved in Arts and Crafts, Yoga, Music, Computer classes, English classes, Stitching, Cooking, Gardening, Sports and general exercise.

# Medical Access for All



## Community Outreach

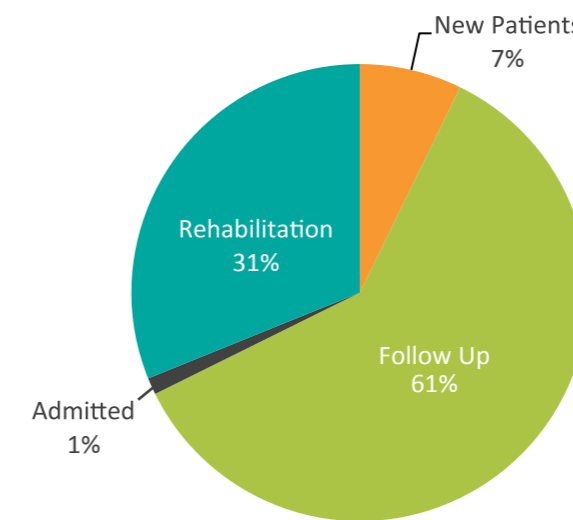
Karwan is continuously striving to spread awareness of mental illness within communities in a way that everyone understands and adopts practices to protect and treat people suffering from mental disorders with dignity and fairness.



The KeH community team conducts free Psychiatric Medical Camps in remote areas where access to any kind of medical help is restricted. Free clinics conducted by our outreach teams so far have covered areas in Malir, Korangi, Machchar Colony, Lyari, Sikandarabad and Shireen Jinnah Colony.

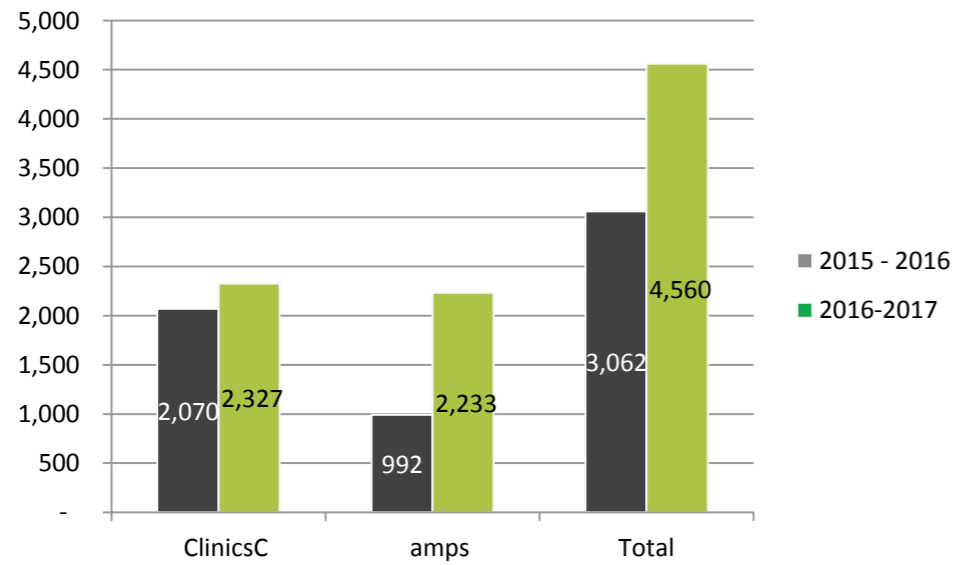
# Year in Perspective: 2016 - 2017

2016-2017 was not an easy year for Karwan-e-Hayat. Despite significant challenges, we are proud to share that there was no compromise on our service and delivery. A total of 63,120 patients were cared for through various services at Karwan, out of which 7% were new patients, 61% follow up and 31% were provided with rehabilitation services.

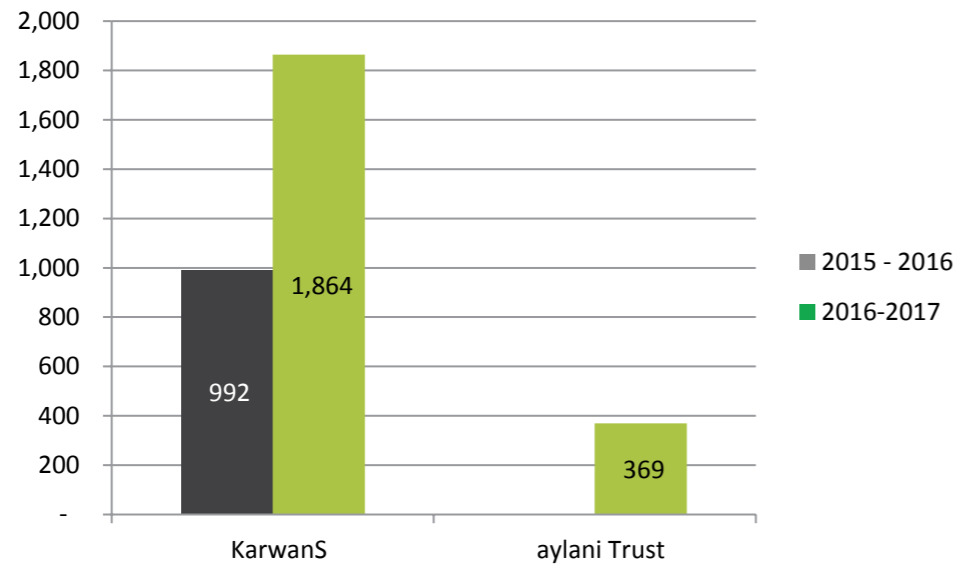


## 1. New Patients' Registration

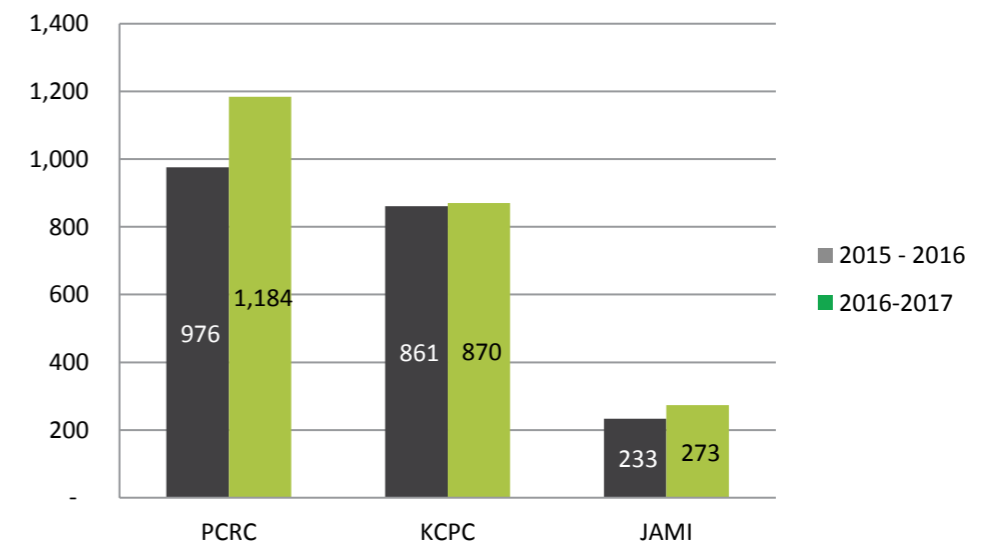
New patient refers to patients who come for the very first time to a KEH facility. A total of 4,560 new patients were registered in 2016-2017, almost 49% more compared to 3,062 patients in 2015 -2016. Out of 4560 new patients, 2,327 were registered in clinics and 2,233 were registered in community camps.



Patient outreach at existing Karwan camp almost doubled in 2016-2017, while the newly established Saylani camp catered to 369 patients.

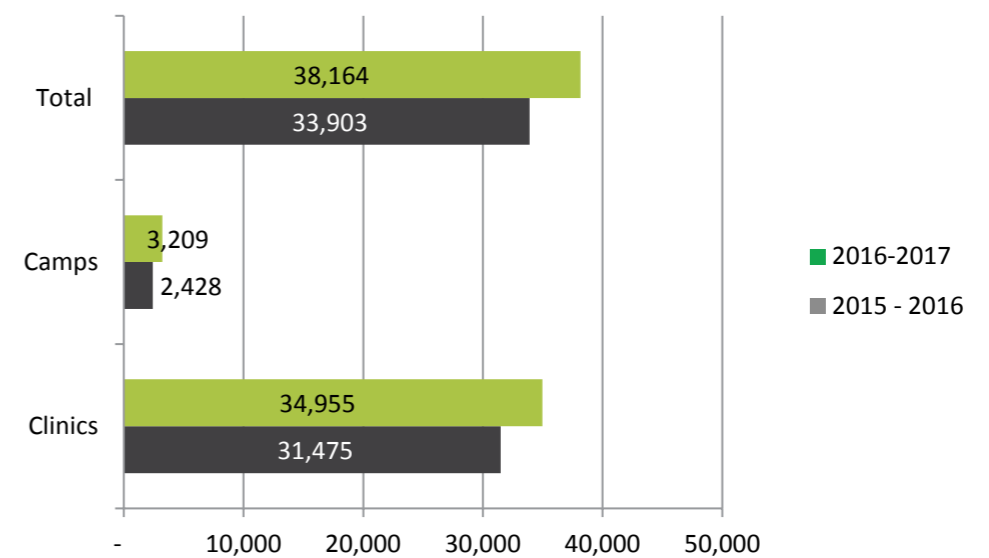


Number of patients at the 3 clinics for treatment also increased.



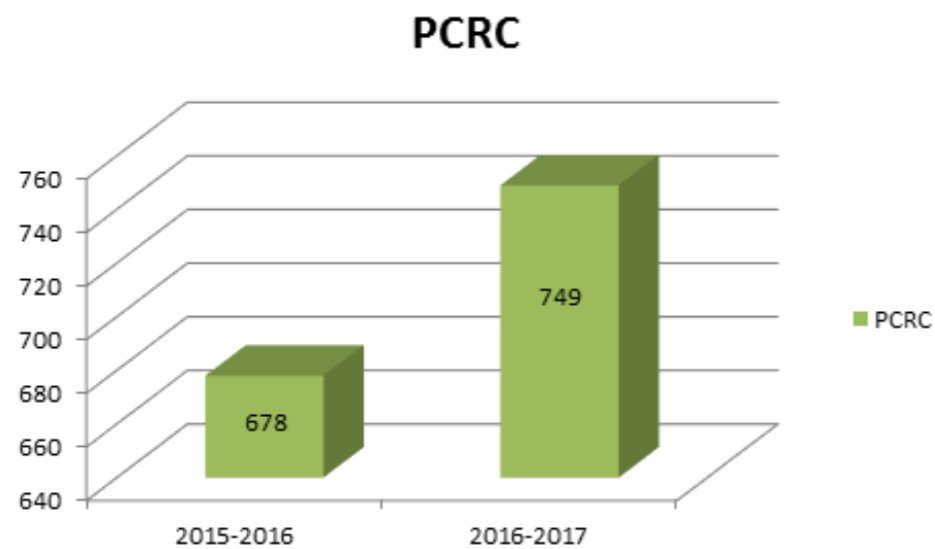
## 2. Follow Up Patients

Any patient visiting a Karwan facility for a subsequent visit (2nd, 3rd, 4th, 5th & so on), following the first visit, is categorized as a follow up patient. A total of 38,164 follow up visits were recorded for 2016-2017, out of which 34,955 were cared for in clinics & 3,209 in camps.



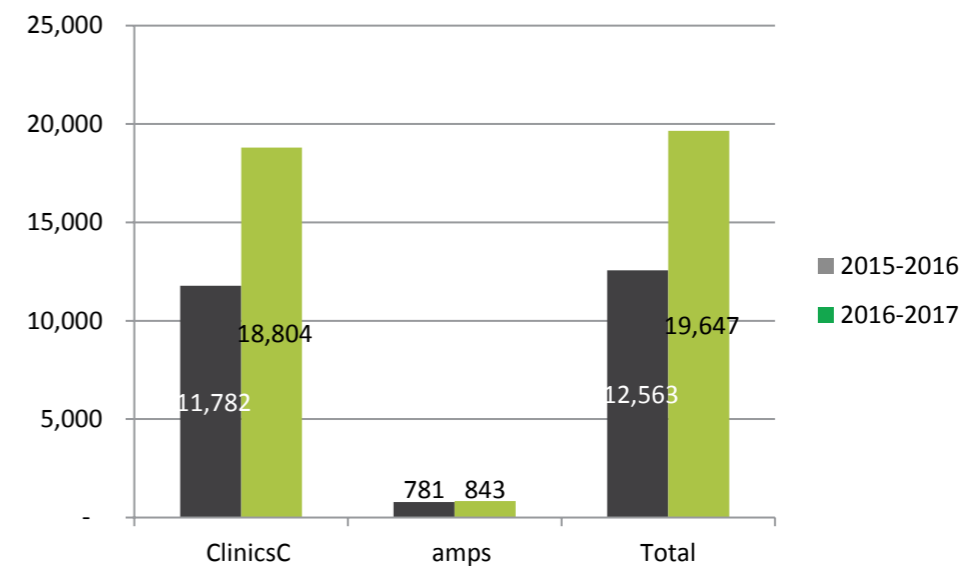
### 3. Patients Admitted for Treatment

2016-2017 saw almost an 11% increase with 749 patients being admitted for treatment at the PCRC facility. Any patient between the ages of 18 - 60 years, who has a psychiatric illness and is not affected by mental retardation or epilepsy, is admitted if KeH doctors deem it necessary.

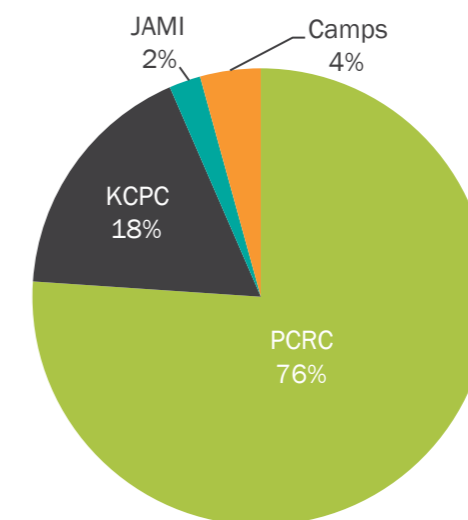


### 4. Rehabilitation Services

Rehabilitation services were provided to 19,647 patients during 2016-2017, a 56% increase from services provided to 12,563 patients in 2015-2016.



843 patients (4%) were cared for at the Karwan camp, while 18,804 patients were served at the 3 clinics. PCRC catered to 76% of the patients, KCPC to 18% and Jami to 2%.





# Getting Back to Life

**In Pakistan, mental affliction is a matter of shame. To even acknowledge mental illness in a family member is a formidable step to be overcome. Karwan-e-Hayat's initiative has thus been a trail blazing endeavour which has encouraged thousands to overcome societal hurdles and seek medical help. The awareness campaigns undertaken and the medical treatment and support provided by the hospital have not only treated patients but have given a substantial boost to suffering persons, enabling them to lead a successful life.**

**Nazia** was admitted to KeH for extreme depression, which had been a life-long disease and had ruined her life. She tells her story here:

"I am 45 years old and have a Bachelor's degree. I was a victim of child abuse but I never told anyone of that unspeakable episode. Instead, I went on living with suppressed terror and went about completing my studies with the feeling of depression gnawing at me. My parents got me married after my graduation but the terrifying feeling of oppression debilitated my life and I was unable to accept my husband or look after my child. My husband soon divorced me.

Back at my mother's place I would remain in a state of depression with anxiety, my constant follower. Soon my parents found another man for me and got me re-married. I remained wretched even with my second husband, unable to give or receive love. He too divorced me, leaving me even more depressed and with the added stigma of mental insanity and two divorces.

I was eventually admitted to Karwan-e-Hayat where my treatment began immediately and I began going to their rehab clinic regularly. Just knowing that my feeling of depression was treatable was like a blessing from heaven. I eventually understood my sickness and became equipped through therapy and medication to deal with it. I even attended vocational training at Karwan-e-Hayat and am now working as a beautician. I feel so blessed that I am not only living a happy life, I am being productive and earning as well.

I am immensely thankful for the treatment given to me at KeH especially their rehab clinic which turned my life around."



**Farhana** was a well-educated professional lady, who used to live abroad with her family.

When she started showing symptoms of mental imbalance, she was abandoned by her own son and deported back to Pakistan. Once she was abandoned by the people she had loved, her illness completely took over and she turned to living on the streets of Karachi, which became her home for almost eight years.

One of her colleagues eventually identified her on the street and took her to Karwan-e-Hayat's Psychiatric Hospital at Kemari where she was diagnosed with Paranoid Schizophrenia. Farhana is now being provided psychiatric treatment and rehabilitation at Karwan-e-Hayat absolutely free of cost and is gradually on her way to recovery.

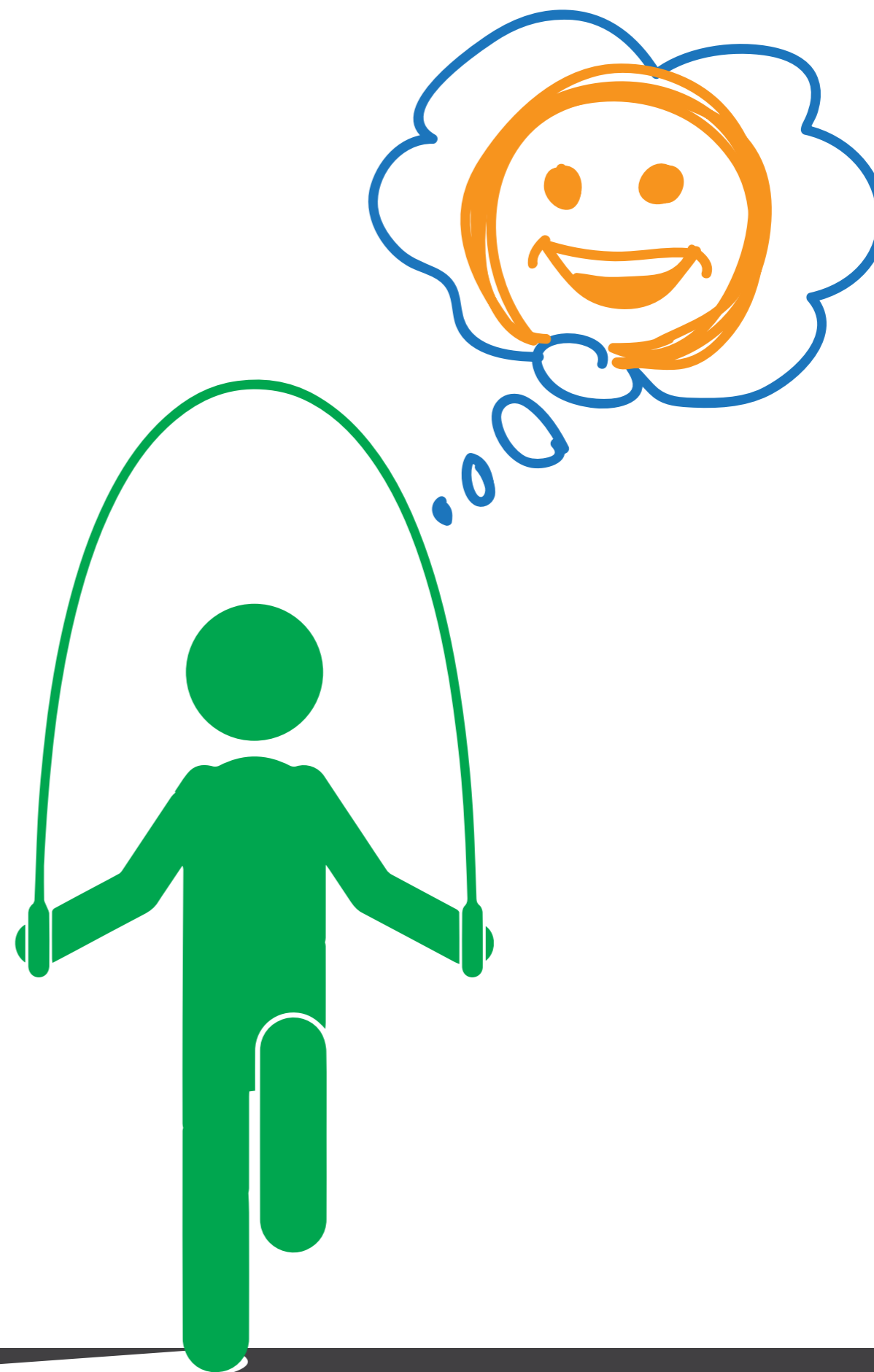
**Asad Naveed** is a 27-year old male and an engineer by profession.

His family brought him to Karwan-e-Hayat with complaints of aggression, hallucinations and delusions.

He was diagnosed with Schizophrenia and is getting treatment for the last 7 months. He recalls "It was awful. I used to hear voices in my head and see things I couldn't understand. This caused me to suffer greatly. I was unable to work, study or even have a normal relationship with my family." He was initially hospitalized at PCRC. In addition to medications, he was assessed psychologically, given psychotherapy and then enrolled for Day-care activities.

After his symptoms were managed successfully, he became a part of KeH's sheltered employment in which he works as a facilitator at the rehabilitation unit and helps others to learn new skills.

Asad states, "I know exactly how these people feel. I was like that too, that is why I find this work so rewarding. I am extremely grateful to Karwan for the opportunities they have provided, as because of them, people like me have a chance to live a normal life."



# Cultural and Social Integration

Events and awareness sessions are part of our annual calendar where we come together as a community of academics, professionals, philanthropists and other well-wishers. We connect with people who care deeply about our work and like us, are dedicated to alleviating mental illness.



## Celebrating World Mental Health Day (WMHD)

World Mental Health Day (WMHD) is celebrated globally on October 10, to emphasize the importance of correct care for mental illness. At KeH, we celebrated at the Psychiatric Care and Rehabilitation Centre (PCRC) at Keamari, and adhered to the International theme – “Psychological and Mental Health: First Aid for All.”



The event included a discussion on “Responding to Trauma: Reactions and Psychological First Aid” conducted by Professor Dr Shahid Rashid. Prominent celebrities were also invited as guest speakers including Mr Talat Hussain who spoke on the, ‘Role of celebrities and promotion of mental health,’ and Mrs Zubeida Tariq who spoke about, ‘Coping with the stigma of psychiatric illnesses.’ Consultant psychiatrists Dr Faisal Mamsa, Professor Dr Shahid Rashid and Brigadier Dr Farrukh Saleem Shah answered audience’s questions regarding psychiatric illnesses.



## Patients display their Art!

Paintings created by patients at KeH were displayed at a Zamzama art gallery – FOMMA – in February this year. Receiving an overwhelming response from art patrons, the exhibition was extended by popular demand and several pieces of art were sold, thus encouraging the rehabilitating patients to believe in their abilities!

**Disability Expo**



**Chocolate Festival**



# Media Campaign



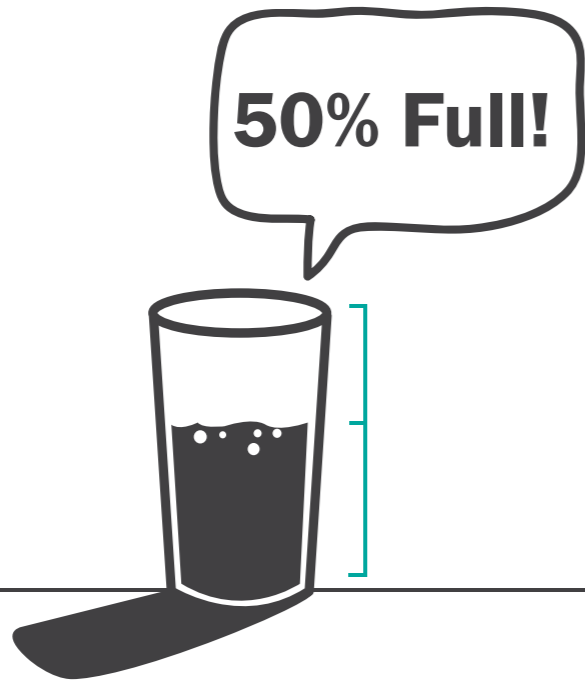
Karwan-e-Hayat's team were guests with HUM TV's Jago Pakistan Jago on March 03, 2017. The program hosted by Sanam Jang, was dedicated to learning about patients' stories and how Karwan has been helping people with mental illnesses. Dr Uroosa Talib (Head of Medical Services), Yasirah Gouhar (Incharge Rehab) and Shahzad Zaki (GM Marketing and Fundraising) represented Team Karwan on camera at Jago Pakistan Jago.

# World Health Day



On April 07, 2017 KeH celebrated World Health Day with the theme of Depression 'Let's Talk' at PCRC at Keamari. KeH partnered with students and faculty of Aga Khan University's (AKU) Mental Health team for this occasion.





# Trainings & Workshops



Karwan regularly organizes training sessions and workshops to strengthen and enhance capacity of staff currently engaged at Karwan-e-Hayat facilities. Workshops are also designed to share mental health and wellness techniques with general audience groups.



Workshop on Stress Management led by Dr Riaz Qureshi, Head of the Department, Family Medicine, Aga Khan University was conducted in September 2016.



# Karwan-e-Hayat's Annual Gala Event

Karwan simply would not function without committed donors who support and attend our fundraising event, enabling us to continue our patient care services.

where Brothers Farriduddin Ayaz and Abu Muhammed, sang the immortal kalams of Hazrat Amir Khusro.

In January 2017, KeH organized a qawwali night at The Indus Valley School of Art and Architecture

All proceeds from fundraising events are utilized to provide treatment to low income patients, free of cost.



# Directors' Report

The Directors of Karwan-e-Hayat take pleasure in presenting this report, together with the Accounts of the organization for the year ended June 30, 2017. The Board members are pleased to state that the management of the organization is committed to good corporate governance and complying with the best practices. In compliance with the Code of Corporate Governance, the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity
- Proper books of accounts of the Company have been maintained
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements
- The system of internal control is sound in design and has been effectively implemented and monitored
- There are no significant doubts upon the Organization's ability to continue as a going concern
- There has been no material departure from the best practices of corporate governance as detailed in the regulations
- Financial highlights for the year 2016-2017 are presented on page 40

# Auditor's Report





**Deloitte Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

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## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Karwan-e-Hayat** (the Institute) as at June 30, 2017 and the related statement of income and expenditure, cash flow statement and statement of changes in net assets together with the notes forming part thereof (herein after referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Institute's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Institute as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - i. the balance sheet and statement of income and expenditure together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in the note 2.2, with which we concur;
  - ii. the expenditure incurred during the year was for the purpose of the Institute's business; and
  - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Institute;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, statement of income and expenditure, cash flow statement and statement of changes in net assets, together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2017 and of the deficit, its cash flows and changes in net assets for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Member of  
**Deloitte Touche Tohmatsu Limited**



**Deloitte Yousuf Adil**  
Chartered Accountants

### Other matter

The financial statements of the Institute for the year ended June 30, 2016 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 10, 2016.

*Deloitte Yousuf Adil*  
**Chartered Accountants**

### Engagement Partner

Nadeem Yousuf Adil

**Date:** September 26, 2017

**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

KARWAN-E-HAYAT  
BALANCE SHEET  
AS AT JUNE 30, 2017

	Note	2017 ------(Rupees)-----	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	10,730,098	12,102,121
Long-term deposits		110,049	110,049
Long-term investments	5	17,310,000	29,610,000
		<b>28,150,147</b>	<b>41,822,170</b>
<b>Current assets</b>			
Inventory	6	3,060,280	4,243,223
Advances and prepayments	7	1,303,039	642,267
Short-term investments	8	28,100,000	27,500,000
Current maturity of long term investments	5	12,300,000	8,800,000
Markup accrued on investments		881,904	650,252
Other receivables	9	9,052,259	2,154,380
Cash and bank balances	10	8,984,261	10,789,024
		<b>63,681,743</b>	<b>54,679,146</b>
		<b>91,831,890</b>	<b>96,501,316</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
General fund	11	39,218,357	41,401,919
Endowment fund	12	50,000,000	50,000,000
		<b>89,218,357</b>	<b>91,401,919</b>
<b>Current liabilities</b>			
Accrued and other liabilities	13	2,563,533	1,907,163
Unearned income	14	50,000	3,192,234
		<b>2,613,533</b>	<b>5,099,397</b>
<b>Contingencies and commitments</b>			
	15		
		<b>91,831,890</b>	<b>96,501,316</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

KARWAN-E-HAYAT  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 ------(Rupees)-----	2016
<b>INCOME</b>			
Donations	16	32,264,492	27,493,430
Zakat		19,505,475	16,759,844
Income from fund raising event		9,852,956	8,335,451
Receipts from patients	17	39,671,737	30,620,384
Return on investments		3,816,029	6,186,227
Receipts from Basic Needs		-	1,754,000
Receipts from Interactive Research and Development		-	103,300
Other income	18	383,860	319,416
		<b>105,494,549</b>	<b>91,772,052</b>
<b>EXPENDITURE</b>			
Operating expenses	19	92,936,537	79,562,024
Administrative and general expenses	20	14,741,574	11,850,126
		<b>107,678,111</b>	<b>91,451,150</b>
		<b>(2,183,562)</b>	<b>320,902</b>
<b>(Deficit) / surplus for the year</b>			

The annexed notes 1 to 26 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



KARWAN-E-HAYAT  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 ------(Rupees)-----	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Deficit) / surplus for the year		(2,183,562)	320,902
Adjustments for:			
Depreciation	4.3	3,815,986	3,557,581
Contributed assets	4.2	(1,137,406)	(6,000)
Inventory written-off	6.1	508,974	-
Other receivables written-off	9	646,909	-
Income on investments		(3,816,029)	(6,186,227)
		<u>(2,165,128)</u>	<u>(2,313,744)</u>
<b>(Increase) / decrease in current assets</b>			
Inventory		673,969	(830,630)
Advance and prepayments		(660,772)	(91,255)
Other receivables		(7,544,788)	5,198,862
		<u>(7,531,591)</u>	<u>4,276,977</u>
<b>Increase / (decrease) in current liabilities</b>			
Accrued and other liabilities		656,370	(1,181,183)
Unearned income		(3,142,234)	217,054
		<u>(2,485,864)</u>	<u>(964,109)</u>
		<u>(10,017,455)</u>	<u>3,312,868</u>
<b>Net cash (used in) / generated from operating activities</b>		<u>(12,182,583)</u>	<u>999,124</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment		(1,306,557)	(3,573,928)
Purchase of investments		(600,000)	(20,000,000)
Proceeds from investments		8,800,000	22,100,000
Return received on investments		3,484,377	6,951,358
<b>Net cash generated from investing activities</b>		<u>10,377,820</u>	<u>5,477,430</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash generated from financing activities		-	-
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(1,804,763)</u>	<u>6,476,554</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>10,789,024</u>	<u>4,312,470</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>8,984,261</u>	<u>10,789,024</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

KARWAN-E-HAYAT  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2017

	Note	General fund	Endowment fund	Expansion of PCRC project fund	Building fund	Total
Balance as at June 30, 2015		28,966,517	27,114,500	10,000,000	25,000,000	91,081,017
Surplus for the year		320,902	-	-	-	320,902
Inter fund transfers	12.2	12,114,500	22,885,500	(10,000,000)	(25,000,000)	-
Balance as at June 30, 2016		41,401,919	50,000,000	-	-	91,401,919
Deficit for the year		(2,183,562)	-	-	-	(2,183,562)
<b>Balance as at June 30, 2017</b>		<b>39,218,357</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>89,218,357</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

**KARWAN-E-HAYAT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**1. STATUS AND NATURE OF ACTIVITIES**

Karwan-e-Hayat (the Institute) is a not for profit organization incorporated in Pakistan in 1983 as a company limited by guarantee under the provisions of the repealed Companies Act 1913, (thereafter Companies Ordinance, 1984 and now Companies Act, 2017). The purpose of the Institute is to establish and run institutions in Pakistan for treatment and rehabilitation of psychological distressed persons on a non-profit basis. Its founding members included Begum Rana Liaquat Ali Khan, Begum Abdul Kadir, Prof. Anita Ghulam Ali, Dr. Zaki Hasan, Dr. Abdullah Hussaini and Dr. M. Zafar Quraishi. Its registered office is situated at Room No.101, First Floor, Al-Noor Arcade, C-5/6, Khayaban-e-Jami Karachi.

The Institute has a multi-disciplinary approach involving psychiatrists, psychologists, neurologists, sociologists and social workers who help, not only with free treatment and rehabilitation, but also organize day camps in low income areas to spread public awareness about curability of mental illnesses and availability of free treatment and health care services provided by the Institute.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Accounting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board and the Accounting Standard for Not for Profit Organisations (NPCs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued thereunder. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, Securities and Exchange Commission of Pakistan has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, these financial statements have been prepared under the Companies Ordinance, 1984.

**2.2 Amendments to the Fifth Schedule to the Companies Ordinance, 1984 and the applicability of accounting and financial reporting standards**

The Securities and Exchange Commission of Pakistan (SECP) on September 10, 2015, through SRO No. 929(I)/2015 has amended the Fifth Schedule to the Companies Ordinance, 1984 (the Ordinance). The amendments pertain to the (i) changes in the definitions of 'Medium Sized Company' and 'Small Sized Company', (ii) deletion of definition of 'Economically Significant Company', and (iii) inclusion of definition of 'Large Sized Company', 'Public Interest Company', 'Medium Sized Company' and 'Public Interest and Large Sized Company', 'Small Sized Company', and 'Small and Medium Sized Company' licensed / formed under Section 42 and Section 43 of the Ordinance. On the same date, the SECP through SRO 929(I)/2015 has notified the applicable accounting and financial reporting standards for preparation of financial statements for each class of company to which Fifth Schedule is applicable. The accounting and financial reporting standards relevant to each class of companies were applicable for annual financial period beginning on or after January 1, 2015.

Further, the SECP through SRO No. 413(I)/2016 dated May 11, 2016 has amended the applicability of the accounting and financial reporting standards used in preparation of the financial statements of the companies under Fifth Schedule to the Ordinance. The amendments pertain to the applicability of Accounting Standards for Not for Profit Organisations issued by the Institute of Chartered Accountants of Pakistan, for preparation of financial statements for Public Interest and Large Sized Companies and Small and Medium sized Companies, licensed / formed under Section 42 and 43 of the Ordinance. The accounting and financial reporting standards relevant to each class of companies are applicable for annual financial period beginning on or after July 1, 2016.

On the basis of above SRO's, the Institute fell under the definition of 'Small and Medium Sized Company' licensed under Section 42 and 43 of the Ordinance, as its annual gross revenue of prior and current year was below than Rs. 200 million. Accordingly, the Institute has prepared its financial statements using the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRSs for SME's) as issued by International Accounting Standards Board (IASB) and as are notified by SECP and Accounting Standards for Not for Profit Organisations issued by the Institute of Chartered Accountants of Pakistan. The change in accounting framework for the preparation of the financial statements has not resulted in any material adjustments to the carrying values of the assets and liabilities of the Institute as at June 30, 2017 or at previous reporting date, however, certain additional disclosures as required under IFRS for SME's have been given in these financial statements along with their corresponding figures.

**2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention except that certain investments have been carried at amortized cost.

**2.4 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees which is the Institute's functional and presentation currency.

**2.5 Significant accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Institute's accounting policies, management has made estimates and judgments in the following areas which are significant to the financial statements:

(i) Useful life of property and equipment (note 3.1 and 4)

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property and equipment is charged to statement of income and expenditure applying the straight line balance method whereby the cost of an asset is reduced over its estimated useful life at rates specified in note 4 to the financial statements. Depreciation on additions during the is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is derecognized / disposed off.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each balance sheet date.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the statement of income and expenditure as and when incurred.

Gain or loss on sale of operating fixed assets is taken to statement of income and expenditure.

**3.2 Contributed assets**

Contributed assets received as donation in kind are recognised at fair value and subsequently stated at valuation less accumulated depreciation and impairment losses, if any.

### 3.3 Financial assets

The Institute classifies its financial assets as held to maturity. These are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention to hold to maturity.

#### 3.3.1 Initial recognition and measurement

Financial assets are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the acquisition. Subsequently they are stated at amortised cost using effective interest rate method.

#### 3.3.2 Impairment

The carrying value of the Institute's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of income and expenditure.

#### 3.3.3 Derecognition

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

### 3.4 Inventories

Inventories comprise of medicines, consumables and general supplies such as surgical supplies, stationary and grocery items. These are valued at lower of cost and current replacement cost. Cost is determined on first in first out (FIFO) basis. Cost comprises of the purchase cost and other related costs incurred in bringing the inventories to their present location and condition. Donated inventories are carried at a valuation equivalent to the cost, which would have been incurred in bringing such inventories to their present location and condition had these inventories being purchased. Current replacement cost value being the cost of replacing the inventory estimated at the balance-sheet date.

### 3.5 Accrued and other liabilities

These are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Institute.

### 3.6 Revenue recognition

Income from Donation, Zakat, and Inpatients (other than restricted donation) are recognised as income as and when received. Amount received from Inpatients for the next financial period is treated as advance income and recognized as income in the year it pertains to.

Donations in kind are recognized at fair value determined at the time when the donations are received. Donations restricted in its use by the donors are utilized for the purpose specified.

Income on bank deposits and term deposits are recognised at effective yield on time proportion basis.

Gains / losses arising on sale of investments are included in the statement of income and expenditure in the period in which they arise.

### 3.7 Provision

Provisions are recognized in the balance sheet when the Institute has legal or constructive obligation as a result of past events and it is probable that out flow of 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 balance sheet date and adjusted to reflect current best estimate.

### 3.8 Impairment loss

The carrying amounts of the Institute's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in income and expenditure account.

### 3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances in bank and short-term liquid investments that are readily convertible to known amounts of cash.

### 3.10 General fund

Funds received for ongoing operations, without any restrictions on utilization, are classified as General funds. These funds are recognised as income when received, expenses incurred against such funds are recognised in the statement of income and expenditure as and when incurred.

### 3.11 Endowment fund

Endowment fund represents surplus set aside by the Institute for meeting unforeseen expenses. Any returns on investment pertaining to endowment fund are appropriated to the general fund.

### 3.12 Contribution receivable

Contribution receivable is recognised as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

### 3.13 Foreign currency transactions and translation

Transactions in foreign currencies are translated in Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses from the settlement of foreign currency transactions and translations of monetary assets and liabilities at the reporting date rates are included in income.

### 3.14 Taxation

The Institute's income is taxable under the provisions of the Income Tax Ordinance, 2001 (the Ordinance), however, the Institute, being a charitable organisation, is also entitled to a tax credit equal to one hundred percent of the tax payable under the Ordinance, in view of provisions contained in section 100C of the Ordinance.

## 4. PROPERTY AND EQUIPMENT

Particulars	Note	Cost as at July 01, 2016	Additions/ (deletions) during the year	Cost as at June 30, 2017	Accumulated depreciation as at July 01, 2016	Depreciation for the year	Accumulated depreciation as at June 30, 2017	Written down value as at June 30, 2017	Rate
(Rupees)									
Building	4.1	8,573,034	804,911	9,377,945	3,871,185	928,213	4,799,398	4,578,547	10
Electrical fittings and equipments		6,159,446	64,900	6,223,346	3,640,671	928,013	4,568,684	1,654,662	15
Reverse Osmosis plant		1,246,170	-	1,246,170	207,756	249,234	456,990	789,180	20
Furniture and fixtures		4,502,604	747,935	5,250,539	2,645,080	512,906	3,158,986	2,089,613	10
General equipments		1,349,902	313,040	1,662,942	534,778	741,633	776,411	886,531	15
IT equipments		3,216,235	513,117	3,729,352	2,041,800	956,987	2,997,787	731,565	33
		<b>25,046,391</b>	<b>2,443,963</b>	<b>27,490,354</b>	<b>12,944,270</b>	<b>3,815,986</b>	<b>16,760,256</b>	<b>10,730,098</b>	

Particulars	Note	Cost as at July 01, 2015	Additional (deletions) during the year	Cost as at June 30, 2016	Accumulated depreciation as at July 01, 2015	Depreciation for the year	Accumulated depreciation as at June 30, 2016	Written down value as at June 30, 2016	Rate
(Rupees)									
Building	4.1	7,299,534	1,273,500	8,573,034	3,105,273	765,912	3,871,185	4,701,649	10
Electrical fittings and equipments		5,585,346	573,100	6,158,446	2,744,850	895,821	3,640,671	2,517,775	15
Reverse Osmosis Plant		-	1,246,170	1,246,170	-	207,756	207,756	1,038,414	20
Furniture and fixtures		4,424,504	78,100	4,502,604	2,202,376	445,704	2,648,080	1,854,524	10
General equipments		1,074,194	275,705	1,349,902	362,114	172,564	534,778	815,124	15
IT equipments		3,168,745	133,350 (35,860)	3,216,235	1,957,933	1,069,724	2,041,800	1,174,435	33
		<b>21,552,323</b>	<b>3,579,528</b> <b>(35,860)</b>	<b>25,046,391</b>	<b>9,472,549</b>	<b>3,557,551</b>	<b>12,044,270</b>	<b>12,102,121</b>	

4.1 This represents cost incurred by the Institute on building situated at Plot No 14 - A Keamari, Karachi, leased by Karachi Port Trust (KPT) to the Institute for a period of 25 Years. The lease is renewable after expiry of that period as per Joint Venture Agreement between the two parties. In case of any deviation of any conditions mentioned in Joint Venture agreement, KPT shall reserve the right to cancel the Joint Venture Agreement and resume its land along with accommodation without any compensation to Institute.

4.2 The additions during the year include additions amounting to Rs. 1,137,406 (2016: Rs. 6,000) attributed to the contributed fixed assets donated to the Institute.

## 4.3 ALLOCATION OF DEPRECIATION

	Note	2017	2016
Operating expenses	19	3,510,707	3,272,975
Administrative and general expenses	20	305,279	284,606
		<b>3,815,986</b>	<b>3,557,581</b>

5. LONG TERM INVESTMENTS  
- held to maturity

	Note	2017	2016
Special saving certificates	5.1	25,310,000	34,110,000
Regular income certificates	5.2	4,300,000	4,300,000
		<b>29,610,000</b>	<b>38,410,000</b>
Less: current maturity		(12,300,000)	(8,800,000)
		<b>17,310,000</b>	<b>29,610,000</b>

5.1 Rate of return on these certificates ranges from 6.80% to 11.40% per annum whereas dates of maturities range from June, 2018 to October, 2018 (2016: August, 2016 to October, 2018).

5.2 Rate of return on these certificates is 7.85% per annum whereas dates of maturities range from October, 2020 to November, 2020.

## 6. INVENTORY

	Note	2017	2016
Balance as at July 01		4,243,223	3,412,593
Purchased during the year		6,108,918	0,560,811
Donated in kind during the year		6,842,458	3,971,776
		<b>17,194,599</b>	<b>13,945,180</b>
Consumed during the year		(13,625,345)	(9,701,957)
Less: written off during the year	6.1	(508,974)	-
		<b>(14,134,319)</b>	<b>(9,701,957)</b>
Balance as at June 30		<b>3,060,280</b>	<b>4,243,223</b>

6.1 Amount pertains to medicines approaching expiry dates that have been written off by the management during the year.

## 7. ADVANCES AND PREPAYMENTS

	Note	2017	2016
Advance income tax		29,311	29,311
Advance to staff		5,633	11,633
Other advances		778,697	198,317
Prepaid insurance		258,842	257,146
Prepaid rent		230,556	145,860
		<b>1,303,039</b>	<b>642,267</b>

## 8. SHORT-TERM INVESTMENTS

	Note	2017	2016
Term deposits	8.1	28,100,000	27,500,000
		<b>28,100,000</b>	<b>27,500,000</b>

8.1 These represents term deposits carrying mark-up rates ranging from 3.80% to 6.10% per annum (2016: 5.56% to 6.00% per annum) and have original maturity period ranging from less than 3 months to 1 year (2016: less than 3 months).

## 9. OTHER RECEIVABLES

	Note	2017	2016
Basic Needs		646,909	646,909
Interactive Research and Development		-	31,000
Sahara village		123,936	23,068
Contribution receivable		8,928,323	1,453,403
Less: written off during the year		(646,909)	-
		<b>9,052,259</b>	<b>2,154,380</b>

	Note	2017 ------(Rupees)-----	2016 ------(Rupees)-----
<b>10. CASH AND BANK BALANCES</b>			
Cash in hand		206,365	130,745
Cash at bank			
- current account		2,711,127	5,128,706
- saving account	10.1	6,066,769	5,529,574
		<u>8,984,261</u>	<u>10,789,024</u>
10.1	These saving accounts carry profit rates ranging from 3.7% to 5.8% (2016: 4.0% to 6.1%) per annum		
<b>11. GENERAL FUND</b>	Note	2017 ------(Rupees)-----	2016 ------(Rupees)-----
Balance as at July 01		41,401,919	26,966,517
(Deficit) / surplus for the year		(2,183,562)	320,902
Inter fund transfers	12.2	-	12,114,500
Balance as at June 30		<u>39,218,357</u>	<u>41,401,919</u>
<b>12. ENDOWMENT FUND</b>			
Balance as at July 01		50,000,000	27,114,500
Inter fund transfers	12.2	-	22,885,500
Balance as at June 30		<u>50,000,000</u>	<u>50,000,000</u>
12.1	Breakup of assets related to endowment fund as at year end are as follows:		
Special saving certificates	12.3	25,310,000	34,110,000
Regular income certificates	12.3	4,300,000	4,300,000
Term deposits	12.3	20,390,000	11,590,000
		<u>50,000,000</u>	<u>50,000,000</u>
12.2	During the previous year, Board of Directors of the Institute decided in their meeting held on August 22, 2015, that "Project Fund" and "Building Fund" was to be transferred into General Fund and Endowment Fund, for the purpose of consolidating the funds in the existing two funds as plans of expansion for which the funds were bifurcated did not materialise.		
12.3	The markup on these investments has been transferred to the General Fund through Statement of income and expenditure.		
<b>13. ACCRUED AND OTHER LIABILITIES</b>		2017 ------(Rupees)-----	2016 ------(Rupees)-----
Audit fee		270,000	76,750
Internal audit fee		129,600	127,200
Withholding tax payable		108,947	171,458
Telephone		30,880	33,040
Electricity		-	53,271
Shelter service		14,000	13,000
Repair and maintenance		15,000	16,000
Payable for medicines purchased		1,109,087	521,350
Leave encashment		11,143	203,922
Patient food		-	393,446
Salaries		980	60,616
Contribution payable to Employees' Old-Age Benefits Institution		7,570	7,570
Consulting charges		85,430	26,210
Miscellaneous		780,896	212,330
		<u>2,563,533</u>	<u>1,907,163</u>

	2017 ------(Rupees)-----	2016 ------(Rupees)-----
<b>14. UNEARNED INCOME</b>		
Donated - medicine	-	3,137,134
Contributed assets	-	5,100
Receipt from donor	50,000	50,000
	<u>50,000</u>	<u>3,192,234</u>
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
There are no contingency and commitments of the Institute as at June 30, 2017 and June 30, 2016.		
<b>16. DONATIONS</b>	2017 ------(Rupees)-----	2016 ------(Rupees)-----
Donation from corporates	1,982,000	6,120,540
Donation from Other NGO's	4,015,556	2,900,436
Donation from Individuals	12,795,909	10,820,060
Donation in kind	13,471,027	7,652,394
	<u>32,264,492</u>	<u>27,493,430</u>
<b>17. RECEIPTS FROM PATIENTS</b>		
Consultation fee	2,354,290	1,982,181
Day care unit	779,530	691,748
Medicine recovery	3,584,594	2,840,809
Receipt from In patient	32,872,487	24,953,216
Registration fee	62,696	25,760
Others	18,140	25,080
	<u>39,671,737</u>	<u>30,520,384</u>
<b>18. OTHER INCOME</b>		
Members fee	30,000	34,800
Tender / registration fee / renewal registration fee	74,500	21,000
Income from World mental health day conference - net	8,000	5,850
Service income - Canteen	226,540	220,216
Scrap sales	44,820	37,550
	<u>383,860</u>	<u>319,416</u>

19. OPERATING EXPENSE	Note	2017	2016
		------(Rupees)-----	
Salaries, wages and other benefits		46,741,352	39,034,526
Leave encashment		270,274	362,834
E.O.B.I. expense		1,012,050	857,300
Medicines consumed		13,625,345	9,654,957
Fees and subscription		1,240,780	1,242,872
Patient food		6,968,412	6,507,560
News papers, advertisement, marketing and fund raising		4,164,550	4,522,197
Conveyance for office staff		411,190	375,166
Conveyance for community mobilization		713,033	776,173
Water charges		1,996,012	1,719,802
Printing, stationery and postage		663,721	652,756
Gas charges		328,600	300,260
Electricity charges		3,975,498	4,213,923
Repairs and maintenance		902,931	1,222,148
Consumable items - general		2,271,666	1,454,519
Telephone charges		475,582	462,382
Uniform		334,840	385,130
Bad debts		646,909	-
Other expenses		359,605	237,164
Day care expenses and day care unit items		233,707	239,457
Library		-	30,000
Television cable		82,900	69,300
Func raising activity		1,124,494	1,118,361
Education and training		140,940	136,840
Basic Needs expense		-	173,392
Entertainment		95,870	68,475
Depreciation	4.3	3,510,707	3,272,975
Camp expenses		164,600	88,730
Work shop		97,349	29,961
Travelling expenses		77,014	215,985
Performance award		48,303	42,300
Internet charges		173,988	57,097
Bed sheet and pillow		39,950	30,492
Exchange loss		44,365	-
		<u>92,936,537</u>	<u>79,592,024</u>
<b>20. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, wages and other benefits		11,685,338	9,755,631
Leave encashment		30,030	40,320
E.O.B.I. expense		112,450	95,256
Auditor remuneration including government levies		270,000	105,250
Depreciation	4.3	305,279	284,606
Education and training		15,660	15,205
Entertainment expense		10,652	9,831
Repairs and maintenance		78,516	106,274
Performance award		48,303	42,300
Insurance	20.1	560,952	518,660
Rent, rates and taxes		957,528	656,495
Internet charges		43,496	16,774
Members meeting expenses		13,310	23,355
Bank charges		429,335	50,465
Cleaning and forwarding expenses		175,575	-
Other expenses		5,150	95,704
		<u>14,741,574</u>	<u>11,859,126</u>

20.1 Insurance	2017	2016
	------(Rupees)-----	
Life insurance	470,952	389,973
Other insurance	90,000	128,687
	<u>560,952</u>	<u>518,660</u>
<b>21. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS</b>		
The aggregate amounts charged in the financial statements for remuneration, including all benefits to the Chief Executive Officer of the Institute are as follows:		
	<u>Chief Executive Officer</u>	
	2017	2016
Salary and other allowances	<u>4,485,984</u>	<u>4,578,000</u>
Number of persons	<u>1</u>	<u>1</u>
<b>21.1</b> Directors of the institute have not charged salary / meeting fee during the year ended June 30, 2017 and June 30, 2016.		
<b>22. RELATED PARTY TRANSACTIONS</b>		
Related parties of the Institute comprise key management personnel. The transactions with related parties are in the normal course of business at agreed terms. Detail of transactions with related parties, other than those disclosed elsewhere in the financial statements, during the year are as follows:		
	2017	2016
	------(Rupees)-----	
Membership fee received during the year	<u>30,000</u>	<u>34,800</u>
<b>23. FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>ASSETS</b>		
Financial assets measured at amortised cost		
- Special saving certificates	25,310,000	34,110,000
- Regular income certificates	4,300,000	4,300,000
Other receivables	9,052,259	2,154,380
Short-term investment		
- Term deposit	28,100,000	27,500,000
Accrued markup on investments	881,904	550,252
Cash and bank balances	8,984,261	10,789,024
<b>Total assets</b>	<u>76,628,424</u>	<u>79,403,556</u>
<b>LIABILITIES</b>		
Financial liabilities measured at amortised cost		
Accrued and other liabilities	2,454,586	1,735,705
<b>Total liabilities</b>	<u>2,454,586</u>	<u>1,735,705</u>

24. NUMBER OF EMPLOYEES	2017	2016
Total number of employees of the institute as at year end.	164	150
Average number of employees as at year end	157	154

25. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the board of directors on \_\_\_\_\_.

26. GENERAL

26.1 The figures have been rounded off to the nearest rupee.

*NA*



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Our Sponsors, Supporters and Partners

We sincerely thank our sponsors, supporters and partners for believing in Karwan-e-Hayat and in our commitment to treat mental illness.

## Individuals

Mr Aamer Nabeel & Mrs Nigar Alam  
Mrs Durrain Cassim  
Dr Iftikhar A. Khwaja  
Mr Munib Z. Islam  
Mr Murad Alam  
Mrs Saghira Aziz Ali & Mr Muhammad Ziyad A. Syed  
Mr Sajjad Ahmed

## Organizations

Bank Alfalah Limited  
Cowasjee Foundation  
Direct Relief U SA  
Gul Ahmed Textile Mills Limited  
Hilton Pharma  
Hope Trust  
Imdad Foundation  
K-Electric Limited  
Saylani Welfare Trust

# Donation Form

## DONATION / ZAKAT PLEDGE FORM

### CONTACT INFORMATION

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone #: \_\_\_\_\_ Cell #: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

### DONATION / ZAKAT PLEDGE INFORMATION

Donation  Zakat

Amount: Rs. \_\_\_\_\_

I would like to make a  One-time Donation  Recurring Donation  Pledge

Frequency: (For Recurring Donations and Pledges)  Monthly  Quarterly  Annually

Start Date \_\_\_\_\_ End Date \_\_\_\_\_

I would like to donate towards \_\_\_\_\_

(Please select your option)

### HOW YOU CAN DONATE (PAYMENT OPTIONS):

Bank: \_\_\_\_\_

Cheque Enclosed (Payable to Karwan-E-Hayat) Cheque #: \_\_\_\_\_ Date: \_\_\_\_\_

Amount Rs. \_\_\_\_\_ (Amount in words: \_\_\_\_\_ )

# Banking Details

## DONATION ACCOUNTS

### United Bank Ltd

Account No. 010-1935-1  
 Branch Code: 0462  
 IBAN: PK54 UNIL 0112 0462 0101 9351  
 Swift Code: UNIL PKKA  
 Jackson Bazar, Keamari Branch  
 P.O.Box 7007, Keamari, Karachi

### Dubai Islamic Bank

Account No: 0288385001  
 Branch Code: 009  
 IBAN: PK57 DUIB 0000 0002 8838 5001  
 Clifton Branch, Karachi

## ZAKAT ACCOUNTS

### United Bank Ltd

Account No: 162001016135  
 Branch Code: 1620  
 IBAN: PK98 UNIL 0112 1620 0101 6135  
 Swift Code: UNIL PKKA  
 Sunset Boulevard DHA Branch, Karachi

### Allied Bank Ltd

Account No: 0010010804500014  
 Branch Code: 0141  
 IBAN: PK 64 ABPA 0010 0108 0450 0014  
 Swift Code: ABPA PKKA  
 Sunset Boulevard Branch, Phase II, DHA, Karachi

### Meezan Bank Ltd

Account No: 0102224427  
 Branch Code: 0105  
 IBAN: PK44 MEZN 0001 0501 0222 4427  
 Swift Code: MEZN PKKA  
 Marriott Hotel Branch, Karachi

# Sponsorship / Donation Packages



## Sponsor a Bed

Rs. 1,500 / Day

Rs. 9,000 /  
Week

Rs. 45,000 /  
Month



## Sponsor a Ward of 10 Beds

Rs. 15,000 /  
Day

Rs. 90,000 /  
Week

Rs. 450,000 /  
Month



## Per Patient Cost in OPD

Rs. 20,000 /  
Day

Rs. 120,000 /  
Week

Rs. 600,000 /  
Month

### Note:

Karwan-e-Hayat is approved for donations u/s 2(36) (c) of I.T. Ordinance 2001  
 We are an ISO 9001-2015 Certified Company and PCP Certified (Pakistan Centre for Philanthropy).  
 We are a Shariah-Compliant Organization. All Donations and Zakat are approved by our Shariah  
 Advisory Board.

Please mail the completed form to:  
 Karwan-e-Hayat Psychiatric Care & Rehabilitation Centre,  
 Bldg # K.v. 27&28 Near KPT & Dr. Ziauddin Hospital, Kaemari, Karachi.  
 Ph.: 021-32856774/5 E-mail: donate@keh.org.pk  
 (Please do not mail cash)





# CERTIFICATE

## KARWAN-E-HAYAT

ADDRESS: BUILDING # KV 27, ADJACENT TO KPT AND ZIAUDDIN HOSPITAL,  
KEAMARI, KARACHI-PAKISTAN.

### *Q-Cert International Pvt. Ltd.*

*Certify that the Quality Management System of the above organization has been audited and found to be in accordance with the requirements of standard detailed below.*


## ISO 9001:2015

“MENTAL HEALTH CARE SERVICES”

**Certificate No: -Q-CERT-PK-1101452**

*This certification audit was conducted in accordance with the Q-Cert International Pvt. Ltd. auditing and certification Procedures and is subject to regular surveillance audits.*



Signed by 

Certificate Issue Date: 19-08-2016

Date of initial Registration: 19-08-2016

Date of Re-Issued: N/A

Date of Expiry: 18-08-2017

In the issuance of this certificate, Q-CERT assumes no liability to any party other than the client, and then only in accordance with the agreed upon Certification Agreement. This Certificate's validity is subject to the organization maintaining their system in accordance with system requirement; validity may be confirmed via email at [info@qcert.asia](mailto:info@qcert.asia) or online verification at [www.qcert.asia](http://www.qcert.asia)

The certificate remains the property of Q-CERT, to whom it must be returned upon request.



## Pakistan Centre for Philanthropy

*(The first NPO Certification Agency, authorised by The Government of Pakistan vide notification No.1116(1)/2003)*

Pakistan Centre for Philanthropy hereby certifies that  
according to the records of the organisation

### *Karwan-e-Hayat*

has complied with the desired applicable requirements and meets certification standards  
in the areas of Internal Governance, Financial Management and Programme Delivery and  
has been awarded PCP Certification.

  
Executive Director



PCP-R2/2016/163

Certification No.

12-08-2016

Issued on

12-08-2019

Valid up to

Islamabad

Place of issue

**Shari'ah Pronouncement for Payment of Zakat and Donations to**  
**Karwan-e-Hayat Institute for Mental Health Care, Karachi**

**Introduction:**

Karwan-e-Hayat is a professionally managed, not for profit, philanthropic and welfare organization, established in 1983. It is certified by Pakistan Centre for Philanthropy, Islamabad. Karwan-e-Hayat has worked diligently ever since inception in providing treatment and rehabilitation services to poor and underprivileged mentally ill patients. It is the only NGO which provides free or heavily subsidized OPD and inpatient facilities. Over 80% of patients receive treatment and rehabilitation services at Karwan-e-Hayat free or at the heavily subsidized rates.

The mission of Karwan-e-Hayat is to work for the prevention, relief and treatment of mental illness and to strive towards the rehabilitation of mentally distressed people, especially those underprivileged and deprived. Karwan-e-Hayat believes that access to basic mental health is the right of each individual and not a privileged only.

**Method of utilization of Zakat and Donations:**

The organization's financial needs are being covered by general Donations and Zakat that Pakistani individuals and corporate sector throughout the world contribute towards. The Procedure of Zakat utilization is that the administrators check out the financial condition of Patients or their attendants in respect of Zakat eligibility. If they are eligible for Zakat, the administrators of Karwan-e-Hayat get permission to collect Zakat on their behalf and to spend that directly or indirectly on their medical needs as per the conditions of Zakat administration. According to these limits, Karwan-e-Hayat utilizes Zakat and Donation funds very carefully.

To ensure that the whole process is Shari'ah Compliant, both in letter and in spirit, the undersigned has been appointed as independent Shari'ah Advisors to review all Zakat-related documents and procedures. We confirm that Karwan-e-Hayat collects and spends Zakat funds in the light of the rulings and guidance of Shari'ah Advisors.

**Shari'ah Ruling:**

It is confirmed that Karwan-e-Hayat collects and spends Zakat fund in accordance with the Principles of Shari'ah. It is also confirmed that whosoever will give Zakat to Karwan-e-Hayat, their Zakat will be paid as per Shari'ah Guidelines.

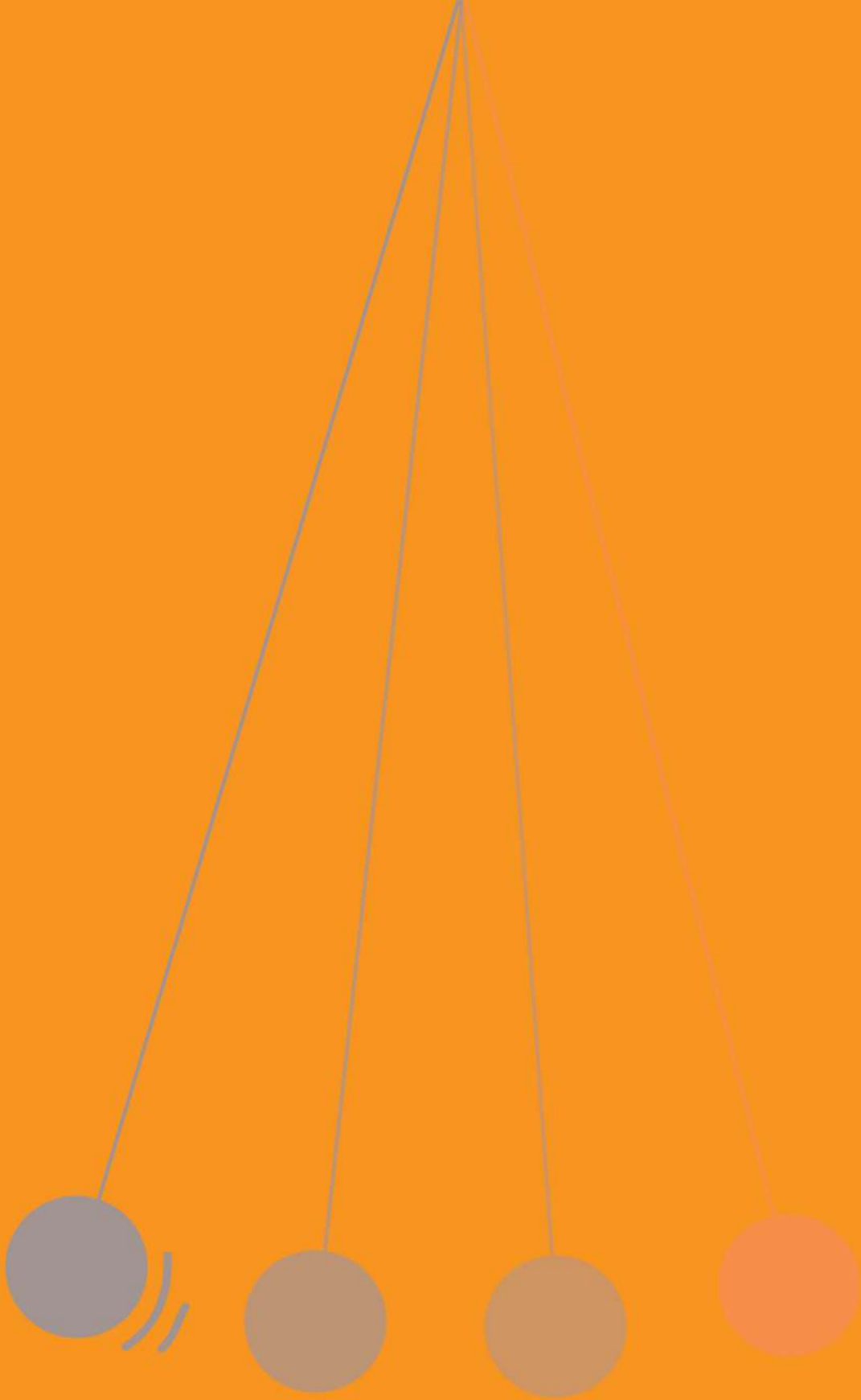
May Almighty Allah grant the management of Karwan-e-Hayat best reward for their services, and may give in their mission more blessings and sincerity. Aameen

محمد ابراہیم

محمد حارث

**Mufti Muhammad Ibrahim Essa**  
Shariah Adviser  
Karwan-e-Hayat

**Mufti Muhammad Haris Bandukda**  
Shariah Adviser  
Karwan-e-Hayat



Karwan-e-Hayat Psychiatric Care & Rehabilitation Centre,  
Bldg # K.v. 27&28 Near KPT & Dr. Ziauddin Hospital, Kaemari, Karachi.  
Ph.: 021-32856774/5 E-mail: donate@keh.org.pk