



***Condensed Interim
Unconsolidated
Financial Information
for the Nine Months
Ended 31 March 2015***



FEROZSONS
LABORATORIES LIMITED

DIRECTORS' REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS & QUARTER ENDED 31 MARCH 2015

We are pleased to present your Company's standalone and consolidated financial information for the nine months & quarter ended 31 March 2015. The consolidated condensed interim financial information incorporates the Company's 98% owned retail venture Farmacia and 80% owned subsidiary BF Biosciences Limited.

OPERATIONAL AND FINANCIAL PERFORMANCE

A summary of operating results for the period is given below:

	Individual				Consolidated			
	9 Months	9 Months	3 Months	3 Months	9 Months	9 Months	3 Months	3 Months
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	(Rupees in thousands)							
Sales (net)	2,757,857	1,811,628	1,263,180	667,327	3,658,714	2,801,447	1,592,556	954,865
Gross Profit	1,299,340	947,326	561,845	354,908	1,718,305	1,352,168	712,597	485,346
Profit before tax	644,200	453,441	338,401	189,860	855,724	608,323	424,986	244,452
Taxation	(177,915)	(127,566)	(93,001)	(52,451)	(248,047)	(180,235)	(119,288)	(66,997)
Profit after tax	466,285	325,875	245,400	137,409	607,677	428,088	305,698	177,455

The Net Sales of your Company showed a growth of 52% for the nine months and 89% for the 3rd quarter under review compared to the corresponding period last year. At the consolidated level, our Net sales showed an increase of 31% over the nine months and 67% for the 3rd quarter in comparison with same period of last year.

Owing to a strong growth in the company's portfolio of imported products, including Sovaldi © for Hepatitis C, sold under license from Gilead Sciences Inc., USA, and the company's medical devices division in partnership with Boston Scientific Corporation, USA, the company's gross profit margin was diluted in percentage terms. However in absolute terms, the Company's Gross Profits increased by 37% to Rs. 1.3 Billion for the nine-month and by 58% to Rs. 561.8 Million for the quarter period under review.

Your Company's Net Profit after Tax (NPAT) for the nine months under review grew by 43% to Rs. 446, while for the quarter, the Net Profit increased by 79% to Rs. 245 Million. At the consolidated level, the Net Profit After Tax of your company stood at Rs. 607.7 Million for the nine months and Rs. 305.7 Million for the quarter under review.

Based on the net profit for the nine months ended 31 March 2015, the Earnings per Share (EPS), both basic and diluted, stand at Rs. 8.13 for the quarter compared to Rs. 5.62 for the same quarter last year, and Rs. 15.45 for the nine months under review compared to Rs. 10.80 for the same period last year.

At the Group level, EPS stands at Rs. 19.16 for the nine months and Rs. 9.71 for the quarter under review.

BF Biosciences Limited Operational Status

The Company's subsidiary company BF Biosciences Limited closed its Net Sales at Rs. 857 million for the nine months ended 31 March 2015 with a decrease of 14% in comparison with the same corresponding period last year. On the other hand, the Net Profit after Tax (NPAT) for nine months under review stood at Rs. 145 million, showing a growth of 41% over the same corresponding period last year. The percentage growth in bottom line despite sales reduction reflects the effect of cost cutting and reduction in tender/

institutional supplies that carry a low GP margin.

Future Outlook

Despite cost pressures and strained economic growth in the country, the company has been able to demonstrate growth across its portfolio of products. In particular, our range of branded generics in the area of cardiology demonstrated a growth of 22% during the nine months, export business grew by 21%, while the sale of our medical device division also increased by 16%

The company is especially privileged by the impact its partnership with Gilead Sciences has been able to have in combating Hepatitis C, a disease of epidemic proportions in Pakistan. The virus, which affects over 10 Million Pakistanis, leads to cirrhosis of the liver and liver cancer if left untreated. Under a special Gilead Access Program, we have begun assisting thousands of patients across Pakistan to access this breakthrough oral treatment at a fraction of its international cost, and within months of its availability in the United States and Europe. Until recently, Hepatitis C was considered to be a deathblow to families in terms of their physical health and the cost of treatment. Through this type of unique partnership, we hope to continue assisting patients in Pakistan obtain access to the latest medical innovations at a locally relevant cost.

Acknowledgments

We would like to acknowledge the efforts of the employees of the Company at all levels for their commitment and hard work in achieving financial results reflected in these interim financial statements.

We would also like to thank our business partners for their support as well as our valued customers for their continued trust in our products.

For and on behalf of the Board of Directors

(Mrs. Akhter Khalid Waheed)
Chairperson & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)

		Un-Audited 31 March 2015	Audited 30 June 2014
	Note	-----Rupees-----	
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital 50,000,000 (30 June 2014: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital	3	301,868,410	301,868,410
Capital reserve		321,843	321,843
Accumulated profit		<u>2,117,327,189</u>	<u>2,039,310,336</u>
		2,419,517,442	2,341,500,589
Surplus on revaluation of property, plant and equipment - net of tax		369,750,744	373,911,368
<u>Non current liabilities</u>			
Deferred taxation		14,580,170	45,796,633
<u>Current liabilities</u>			
Trade and other payables	4	681,138,418	391,825,313
Provision for taxation-net		18,894,333	-
		700,032,751	391,825,313
Contingencies and commitments	5	<u>3,503,881,107</u>	<u>3,153,033,903</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

AS AT 31 MARCH 2015

		Un-Audited 31 March 2015	Audited 30 June 2014
	Note	-----Rupees-----	
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	6	1,229,081,894	1,136,181,457
Intangible assets	7	674,821	55,381
Long term investments	8	239,586,926	227,255,201
Long term deposits		3,458,825	3,786,100
		1,472,802,466	1,367,278,139
<i>Current assets</i>			
Stores, spare parts and loose tools		21,648,221	14,977,483
Stock in trade		911,336,353	646,619,797
Trade debts - considered good	9	345,033,968	145,664,372
Current portion of long term loan	10	-	100,000,000
Loans and advances - considered good		40,222,707	20,239,144
Deposits and prepayments		43,487,931	25,094,850
Mark-up accrued		-	4,421,701
Other receivables	11	2,581,351	3,966,227
Short term investments	12	367,892,690	718,578,075
Advance tax - net		-	2,073,122
Cash and bank balances		298,875,420	104,120,993
		2,031,078,641	1,785,755,764
		3,503,881,107	3,153,033,903

Director

Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Note	For the nine months ended		For the three months ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		Rupees			
Revenue - net	13	2,757,856,710	1,811,627,579	1,263,179,749	667,327,141
Cost of sales	14	(1,458,516,888)	(864,301,437)	(701,334,459)	(312,419,315)
Gross profit		1,299,339,822	947,326,142	561,845,290	354,907,826
Administrative expenses		(134,701,875)	(112,216,208)	(43,139,310)	(36,740,615)
Selling and distribution expenses		(517,320,762)	(402,820,531)	(169,823,683)	(138,686,819)
Finance cost		(12,742,355)	(11,013,975)	(1,499,365)	(4,042,470)
Other expenses		(54,733,465)	(38,525,905)	(28,751,749)	(15,545,419)
Other income		64,358,446	70,691,171	19,770,032	29,967,841
Profit before taxation		644,199,811	453,440,694	338,401,215	189,860,344
Taxation		(177,914,649)	(127,566,056)	(93,001,222)	(52,451,152)
Profit after taxation		466,285,162	325,874,638	245,399,993	137,409,192
Earnings per share - basic and diluted		15.45	10.80	8.13	4.55

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	For the nine months ended		For the three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	-----Rupees-----			
Profit after taxation	466,285,162	325,874,638	245,399,993	137,409,192
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>466,285,162</u>	<u>325,874,638</u>	<u>245,399,993</u>	<u>137,409,192</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Un-Audited 31 March 2015	Un-Audited 31 March 2014
	-----Rupees-----	
Cash flow from operating activities		
Profit before taxation	644,199,811	453,440,694
Adjustments for:		
Depreciation	81,369,453	73,819,667
Amortisation	214,160	1,371,996
Gain on sale of property, plant and equipment	(6,372,482)	(10,837,091)
Finance costs	12,742,355	11,013,975
Gain on re-measurement of short term investments to fair value	(22,371,649)	(24,511,377)
Gain on redemption of short term investments	(11,900,509)	-
Profit on bank deposits, commissions and lease rental income	(6,014,184)	(395,055)
Mark-up on long term loan	(5,367,897)	(22,187,384)
Share in profit of Farmacia	(12,331,725)	(3,936,866)
	<u>29,967,522</u>	<u>24,337,865</u>
Cash generated from operations before working capital changes	674,167,333	477,778,559
Effect on cash flow due to working capital changes		
<i>Increase in current assets:</i>		
Stores, spare parts and loose tools	(6,670,738)	(5,865,335)
Advances, deposits, prepayments and other receivables	(36,991,768)	(18,031,215)
Stock in trade	(264,716,556)	(28,153,916)
Trade debts - considered good	(199,369,596)	(154,228,542)
	<u>(507,748,658)</u>	<u>(206,279,008)</u>
<i>Increase in current liabilities:</i>		
Trade and other payables	175,334,149	1,411,792
Cash generated from operations	341,752,824	272,911,343
Taxes paid	<u>(188,163,657)</u>	<u>(78,520,084)</u>
Net cash generated from operating activities	153,589,167	194,391,259
Cash flow from investing activities		
Capital expenditure incurred	(178,037,509)	(114,460,112)
Purchase of Intangible Asset	(543,600)	-
Proceeds from sale of property, plant and equipment	9,850,101	11,744,351
Mark-up received on long term loan	9,789,598	24,420,357
Profit on bank deposits, commissions and lease rental income	6,014,184	395,055
Repayment of long term loan	100,000,000	150,000,000
Decrease in long term deposits	327,275	-
Redemption/(acquisition) of short term investments - net	384,957,543	(207,386,677)
Net cash generated from / (used in) investing activities	332,357,592	(135,287,027)
Cash flow from financing activities		
Receipts of short term borrowings	-	121,336,220
Finance cost paid	(16,378,211)	(7,303,076)
Dividend paid	(274,814,121)	(210,335,103)
Net cash used in financing activities	(291,192,332)	(96,301,959)
Net increase/decrease in cash and cash equivalents	194,754,427	(37,197,727)
Cash and cash equivalents at the beginning of the period	104,120,993	67,244,111
Cash and cash equivalents at the end of the period	<u>298,875,420</u>	<u>30,046,384</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Share Capital	Capital reserve	Accumulate profit	Total
	-----Rupees-----			
Balance as at 01 July 2013	301,868,410	321,843	1,918,841,956	2,221,032,209
Profit after taxation	-	-	325,874,638	325,874,638
Other comprehensive income for the period	-	-	-	-
<i>Surplus / (deficit) transferred to accumulated profit:</i>				
- on account of incremental depreciation charged during the period - net of tax	-	-	4,177,851	4,177,851
- on account of disposal of fixed assets during the period-net of tax	-	-	92,686	92,686
Total comprehensive income for the period	-	-	330,145,174	330,145,174
<i>Transactions with owners:</i>				
- Final dividend for the year ended 30 June 2013 at Rs. 7 per share	-	-	(211,307,887)	(211,307,887)
- Interim dividend for the year ended 30 June 2014 at Rs. 3 per share	-	-	(90,560,523)	(90,560,523)
	-	-	(301,868,410)	(301,868,410)
Balance as at 31 March 2014	<u>301,868,410</u>	<u>321,843</u>	<u>1,947,118,720</u>	<u>2,249,308,973</u>
Balance as at 01 July 2014	301,868,410	321,843	2,039,310,336	2,341,500,589
Profit after taxation	-	-	466,285,162	466,285,162
Other comprehensive income for the period	-	-	-	-
<i>Surplus / (deficit) transferred to accumulated profit:</i>				
- on account of incremental depreciation charged during the period - net of tax	-	-	4,241,151	4,241,151
- on account of disposal of fixed assets during the period-net of tax	-	-	(80,527)	(80,527)
Total comprehensive income for the period	-	-	470,445,786	470,445,786
<i>Transactions with owners:</i>				
- Final dividend for the year ended 30 June 2014 at Rs. 9 per share	-	-	(271,681,569)	(271,681,569)
- Interim dividend for the year ended 30 June 2015 at Rs. 4 per share	-	-	(120,747,364)	(120,747,364)
	-	-	(392,428,933)	(392,428,933)
Balance as at 31 March 2015	<u>301,868,410</u>	<u>321,843</u>	<u>2,117,327,189</u>	<u>2,419,517,442</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

1 Legal status and nature of business

Ferozsons Laboratories Limited ("the Company") was incorporated as a private limited company on 28 January 1954 and was converted into a public limited company on 08 September 1960. The Company is listed on the Karachi, Lahore and Islamabad stock exchanges. The Company is primarily engaged in the manufacture and sale of pharmaceutical products. Its registered office is situated at 197-A, The Mall, Rawalpindi and the factory is located at Amangarh, Nowshera, Khyber Pakhtoon Khwa.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim unconsolidated financial information is presented in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements of the Companies Ordinance, 1984 differ, the provisions or directives issued under the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) have been followed. This condensed interim unconsolidated financial information does not include all of the information required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2014. Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended 30 June 2014, whereas comparative profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim unconsolidated financial information for the nine months period ended on 31 March 2014.

This condensed interim unconsolidated financial information is un-audited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

2.2 Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information is the same as those applied in preparation of financial statements for the year ended 30 June 2014.

2.3 Use of judgements and estimates

In preparing this interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2014.

	Un-Audited 31 March 2015	Audited 30 June 2014
	-----Rupees-----	
3 Issued, subscribed and paid up capital		
1,441,952 (30 June 2014: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2014: 119,600) ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	1,196,000	1,196,000
28,625,289 (30 June 2014: 28,625,289) ordinary shares of Rs. 10 each issued as fully paid bonus shares	286,252,890	286,252,890
	<u>301,868,410</u>	<u>301,868,410</u>
4 Trade and other payables		
These include balances due to related parties amounting to Rs. 2 million (30 June 2014: Rs. 4.4 million).		
5 Contingencies and commitments		
<u>Contingencies:</u>		
<u>Guarantees issued by banks on behalf of the Company</u>		
Out of the aggregate facility of Rs.75 million (30 June 2014: Rs. 25 million) for letters of guarantee, the amount utilized at 31 March 2015 was Rs. 2.2 million (30 June 2014: Rs. 2.32 million).		
<u>Commitments:</u>		
<u>Letters of credit</u>		
Out of the aggregate facility of Rs. 550 million (30 June 2014: Rs. 205 million) for opening letters of credit, the amount utilized at 31 March 2015 for capital expenditure was Rs. 80.3 million (30 June 2014: Rs. 24.3) and for other than capital expenditure was Rs. 86.7 million (30 June 2014: Rs. 112.62 million).		
<u>Guarantees issued on behalf of the subsidiary company</u>		
Company has issued cross corporate guarantee to various commercial banks favouring its subsidiary company BF Biosciences Limited amounting to Rs. 275 million (30 June 2014: Rs. 275 million).		

	Un-Audited 31 March 2015	Audited 30 June 2014
Note	-----Rupees-----	
6 Property, plant and equipment		
<u>Cost</u>		
Opening balance	1,344,135,280	1,311,706,788
Additions during the period / year	44,972,763	86,274,497
Transfer from CWIP during the period / year	60,889,008	17,070,757
Disposals during the period / year	(17,794,482)	(70,916,762)
Closing balance	1,432,202,569	1,344,135,280
<u>Accumulated depreciation</u>		
Opening balance	281,777,579	246,184,131
Depreciation for the period / year	81,369,453	99,501,791
Relating to disposals	(14,316,863)	(63,908,343)
Closing balance	348,830,169	281,777,579
Operating assets-net book value	1,083,372,400	1,062,357,701
Capital work in progress	145,709,494	73,823,756
Net book value	1,229,081,894	1,136,181,457
7 Intangible assets		
<u>Cost</u>		
Opening balance	5,543,356	5,543,356
Additions during the period / year	543,600	-
Transfer from CWIP during the period / year	290,000	-
Closing balance	6,376,956	5,543,356
<u>Accumulated amortization</u>		
Opening balance	5,487,975	3,658,647
Amortisation for the period / year	214,160	1,829,328
Closing balance	5,702,135	5,487,975
Net book value	674,821	55,381
8 Long term investments		
Investment in Farmacia	87,586,966	75,255,241
Investment in BF Biosciences Limited	151,999,960	151,999,960
	239,586,926	227,255,201
8.1	This represents the Company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail pharmacies. Share of profit for the period/year not withdrawn is reinvestment in capital account of partnership.	
8.2	This represents investment made in 15,199,996 ordinary shares of Rs. 10 each, in BF Biosciences Limited. BF Biosciences Limited was set up for establishing a Biotech Production Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company holds 80% of equity of the subsidiary and the remaining 20% is held by Laboratories Bagó S.A., Argentina.	

9 Trade debts

These include Rs. 1.9 million (30 June 2014: Rs. 12.3 million) receivables from related parties.

Un-Audited 31 March 2015	Audited 30 June 2014
-----Rupees-----	

10 Current portion of long term loan

Loan- at the beginning of period / year	100,000,000	325,000,000
Repayment of loan during the period / year	(100,000,000)	(225,000,000)
Amount due within twelve months, shown under current assets	<u><u>-</u></u>	<u><u>100,000,000</u></u>

11 Other receivables

This includes Rs. 0.15 million (30 June 2014: Rs. 0.04 million) receivables from related party.

Un-Audited 31 March 2015	Audited 30 June 2014
-----Rupees-----	
Note	

12 Short term investments

Investments at fair value through profit or loss - listed securities	12.1	367,892,690	718,578,075
12.1 Investments at fair value through profit or loss - listed securities These investments are 'held for trading' Carrying value		345,521,041	682,518,656
Unrealized gain / (loss) on re-measurement of investment - during the period / year		22,371,649	36,059,419
Fair value of short term investments	12.2	367,892,690	718,578,075

Units		Carrying value		Fair value	
31 March 2015	30 June 2014	31 March 2015	30 June 2014	31 March 2015	30 June 2014
-----Number-----		-----Rupees-----		-----Rupees-----	

12.2 Held for trading Mutual Funds

HBL Money Market Fund	3,294,688	6,265,634	330,528,371	593,926,940	351,435,144	628,578,447
HBL Income Fund	147,088	147,088	14,892,622	13,591,716	16,350,975	14,892,578
MCB DCF Units	1,001	751,071	100,048	75,000,000	106,571	75,107,050
			<u><u>345,521,041</u></u>	<u><u>682,518,656</u></u>	<u><u>367,892,690</u></u>	<u><u>718,578,075</u></u>

	For the nine months ended		For the three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Note	Rupees			
13 Revenue - net				
<i>Gross sales:</i>				
Local	2,748,121,302	1,813,539,327	1,227,375,301	653,307,342
Export	184,684,494	153,929,172	86,303,250	68,066,306
	<u>2,932,805,796</u>	<u>1,967,468,499</u>	<u>1,313,678,551</u>	<u>721,373,648</u>
<i>Less:</i>				
Sales returns, discounts and commission	(171,195,998)	(153,935,924)	(48,155,009)	(53,049,569)
Sales tax	(3,753,088)	(1,904,996)	(2,343,793)	(996,938)
	<u>(174,949,086)</u>	<u>(155,840,920)</u>	<u>(50,498,802)</u>	<u>(54,046,507)</u>
	<u>2,757,856,710</u>	<u>1,811,627,579</u>	<u>1,263,179,749</u>	<u>667,327,141</u>
14 Cost of sales				
Raw materials consumed 14.1	1,495,263,148	748,859,594	578,614,492	281,120,346
Other manufacturing expenses	186,819,640	167,447,560	65,552,445	63,672,775
	<u>1,682,082,788</u>	<u>916,307,154</u>	<u>644,166,937</u>	<u>344,793,121</u>
<i>Work in progress:</i>				
Opening	45,827,685	23,733,370	59,432,960	38,310,930
Closing	(45,413,842)	(28,392,857)	(45,413,842)	(28,392,857)
	<u>413,843</u>	<u>(4,659,487)</u>	<u>14,019,118</u>	<u>9,918,073</u>
Cost of goods manufactured	<u>1,682,496,631</u>	<u>911,647,667</u>	<u>658,186,055</u>	<u>354,711,194</u>
<i>Finished stock:</i>				
Opening	358,018,032	273,111,967	625,146,179	278,166,318
Closing	(581,997,775)	(320,458,197)	(581,997,775)	(320,458,197)
	<u>(223,979,743)</u>	<u>(47,346,230)</u>	<u>43,148,404</u>	<u>(42,291,879)</u>
	<u>1,458,516,888</u>	<u>864,301,437</u>	<u>701,334,459</u>	<u>312,419,315</u>
14.1 Raw materials consumed				
Opening	287,241,163	254,880,083	242,780,225	251,193,284
Purchases during the period	1,473,009,848	712,334,037	600,822,130	248,281,588
	<u>1,760,251,011</u>	<u>967,214,120</u>	<u>843,602,355</u>	<u>499,474,872</u>
Closing	(264,987,863)	(218,354,526)	(264,987,863)	(218,354,526)
	<u>1,495,263,148</u>	<u>748,859,594</u>	<u>578,614,492</u>	<u>281,120,346</u>

15 Transactions with related parties

The related parties include associated companies, contributory provident fund, major shareholders, directors and key management personnel. Balances with the related parties are shown in respective notes in the financial information. Transactions with related parties during the period are as follows:

	Un-Audited 31 March 2015	Audited 30 June 2014
-----Rupees-----		
<i>Farmacia - 98% owned partnership firm</i>		
Sale of medicines	1,276,968	1,595,268
Share in profit	12,331,725	3,936,866
<i>BF Biosciences Limited - 80% owned subsidiary company</i>		
Long term loan and mark up payment	109,789,598	174,420,357
Sale of medicine to subsidiary	76,842,442	95,080,667
Purchase of medicine from subsidiary	527,879	3,162,383
Accrued mark up on long term loan	-	6,532,892
Management fee and expenses for sales promotion	569,619	1,203,281
<i>Pakistan Pharma Forum - associated entity</i>		
Membership fee and annual dues	-	615,174
<i>Khan & Piracha - associated entity</i>		
Professional services charges	18,000	30,000
<i>Other related parties</i>		
Contribution to employee provident fund	13,428,610	11,493,710
Remuneration including benefits and perquisites of key management personnel	64,696,948	53,618,637

16 Financial Risk Management

The Company's financial risk management objective and policies are consistent with that disclosed in financial statements for the year ended 30 June 2014.

17 Date of authorization for issue

This condensed interim financial information has been authorized for issue by the board of directors of the Company on 27 April 2015.

18 General

The figures have been rounded off to the nearest rupee. Corresponding figures have been rearranged and reclassified, where necessary. However, there have been no material rearrangements or reclassifications.

Lahore

Director

Chairperson & Chief Executive



***Condensed Interim
Consolidated Financial
Information for the
Nine Months
Ended 31 March 2015***



FEROZSONS
LABORATORIES LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED)

	Un-Audited 31 March 2015	Audited 30 June 2014
Note	-----Rupees-----	
EQUITY AND LIABILITIES		
<i>Share capital and reserves</i>		
Authorized share capital 50,000,000 (30 June 2014: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000
Issued, subscribed and paid up capital	4 301,868,410	301,868,410
Capital reserve	321,843	321,843
Accumulated profit	2,483,286,499	2,289,472,502
	2,785,476,752	2,591,662,755
Non-controlling interest	127,960,576	98,750,513
	2,913,437,328	2,690,413,268
Surplus on revaluation of property, plant and equipment - net of tax	412,901,678	420,677,699
<i>Non current liabilities</i>		
Deferred taxation	77,804,792	121,832,192
<i>Current liabilities</i>		
Trade and other payables	824,236,166	523,202,919
Provision for taxation - net	25,033,867	-
Short term borrowings - secured	4,713,697	495,829
Contingencies and commitments	5 853,983,730	523,698,748
	4,258,127,528	3,756,621,907

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

AS AT 31 MARCH 2015

	Un-Audited 31 March 2015	Audited 30 June 2014
Note	-----Rupees-----	
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	6 1,705,753,465	1,633,330,817
Intangible assets	7 1,232,282	939,398
Long term deposits	7,430,825	7,758,100
	1,714,416,572	1,642,028,315
<i>Current assets</i>		
Stores, spare parts and loose tools	40,554,254	33,225,587
Stock in trade	1,111,756,890	863,607,592
Trade debts - considered good	418,699,007	174,178,229
Loans and advances - considered good	52,859,152	25,848,100
Deposits and prepayments	70,654,988	46,460,968
Other receivables	2,431,353	3,925,022
Short term investments	8 474,802,703	748,688,343
Advance tax - net	-	52,804,745
Cash and bank balances	371,952,609	165,855,006
	2,543,710,956	2,114,593,592
	4,258,127,528	3,756,621,907

Director

Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Note	For the nine months ended		For the three months ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		Rupees			
Revenue - net	9	3,658,714,472	2,801,447,009	1,592,555,880	954,865,306
Cost of sales	10	(1,940,409,355)	(1,449,278,743)	(879,959,062)	(469,519,231)
Gross profit		1,718,305,117	1,352,168,266	712,596,818	485,346,075
Administrative expenses		(159,078,677)	(136,973,463)	(50,330,259)	(45,176,067)
Selling and distribution expenses		(667,496,359)	(586,513,169)	(215,670,523)	(194,719,630)
Finance cost		(14,290,387)	(12,272,539)	(1,969,275)	(4,364,362)
Other expenses		(75,660,029)	(58,371,291)	(36,600,943)	(20,158,421)
Other income		53,944,635	50,284,733	16,960,065	23,524,257
Profit before taxation		855,724,300	608,322,536	424,985,883	244,451,852
Taxation		(248,047,328)	(180,235,004)	(119,287,688)	(66,996,838)
Profit after taxation		607,676,972	428,087,532	305,698,195	177,455,014
Attributable to:					
Owners of the Company		578,466,909	407,454,817	293,033,991	169,594,639
Non-controlling interests		29,210,063	20,632,715	12,664,204	7,860,375
		607,676,972	428,087,532	305,698,195	177,455,014
Earnings per share - basic and diluted		19.16	13.50	9.71	5.62

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	For the nine months ended		For the three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees			
Profit after taxation	607,676,972	428,087,532	305,698,195	177,455,014
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	607,676,972	428,087,532	305,698,195	177,455,014
Attributable to:				
Owners of the Company	578,466,909	407,454,817	293,033,991	169,594,639
Non-controlling interests	29,210,063	20,632,715	12,664,204	7,860,375
	607,676,972	428,087,532	305,698,195	177,455,014

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Un-Audited 31 March 2015	Un-Audited 31 March 2014
	-----Rupees-----	
<u>Cash flow from operating activities</u>		
Profit before taxation	855,724,300	608,322,536
<u>Adjustments for:</u>		
Depreciation	145,386,163	130,182,446
Amortisation	540,716	1,698,551
Gain on sale of property, plant and equipment	(7,398,034)	(11,395,641)
Finance costs	14,290,387	12,272,539
Gain on re-measurement of short term investments to fair value	(23,834,562)	(25,457,408)
Gain on redemption of short term investments	(12,310,036)	-
Profit on bank deposits and commissions	(10,402,003)	(13,431,685)
	<u>106,272,631</u>	<u>93,868,802</u>
<u>Cash generated from operations before working capital changes</u>	961,996,931	702,191,338
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in current assets</i>		
Stores, spare parts and loose tools	(7,328,667)	(10,891,448)
Advances, deposits, prepayments and other receivables	(49,711,403)	(35,606,605)
Stock in trade	(248,149,298)	65,556,283
Trade debts - considered good	(244,520,778)	(232,976,264)
	<u>(549,710,146)</u>	<u>(213,918,034)</u>
<i>Increase in current liabilities</i>		
Trade and other payables	<u>183,418,425</u>	<u>41,912,474</u>
Cash generated from operations	595,705,210	530,185,778
Taxes paid	<u>(214,236,106)</u>	<u>(107,245,529)</u>
Net cash generated from operating activities	381,469,104	422,940,249
<u>Cash flow from investing activities</u>		
Capital expenditure incurred	(222,015,976)	(152,863,425)
Purchase of intangible assets	(543,600)	-
Proceeds from sale of property, plant and equipment	11,315,199	12,931,841
Profit on bank deposits and commissions	10,402,003	13,431,685
Redemption/(acquisition) of short term investments - net	310,030,238	(231,886,676)
Long term deposit	327,275	(25,000)
Net cash generated from / (used in) investing activities	109,515,139	(358,411,575)
<u>Cash flow from financing activities</u>		
Receipt of short term borrowings	4,217,868	124,359,902
Finance cost paid	(14,290,387)	(12,272,539)
Dividend paid	(274,814,121)	(210,335,103)
Net cash used in financing activities	(284,886,640)	(98,247,740)
Net increase/(decrease) in cash and cash equivalents	206,097,603	(33,719,066)
Cash and cash equivalents at the beginning of the period	165,855,006	107,035,607
Cash and cash equivalents at the end of the period	371,952,609	73,316,541

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Share capital	Capital reserve	Accumulated profit	Total	Non-controlling interest	Total
	Rupees					
Balance as at 01 July 2013	301,868,410	321,843	2,061,029,564	2,363,219,817	72,090,498	2,435,310,315
Profit after taxation	-	-	407,454,817	407,454,817	20,632,715	428,087,532
Other comprehensive income for the period	-	-	-	-	-	-
Surplus / (deficit) transferred to accumulated profit:						
- on account of incremental depreciation charged during the period - net of tax	-	-	4,177,851	4,177,851	-	4,177,851
- on account of disposal of fixed assets during the period-net of tax	-	-	92,686	92,686	-	92,686
Total comprehensive income for the period	-	-	411,725,353	411,725,353	20,632,715	432,358,068
Transactions with owners of the company:						
-Final dividend for the year ended 30 June 2013 at Rs. 7 per share	-	-	(211,307,887)	(211,307,887)	-	(211,307,887)
-Interim dividend for the year ended 30 June 2014 @ Rs. 3 per share	-	-	(90,560,523)	(90,560,523)	-	(90,560,523)
	-	-	(301,868,410)	(301,868,410)	-	(301,868,410)
Balance as at 31 March 2014	301,868,410	321,843	2,170,886,507	2,473,076,760	92,723,213	2,565,799,973
Balance as at 01 July 2014	301,868,410	321,843	2,289,472,502	2,591,662,755	98,750,513	2,690,413,268
Profit after taxation	-	-	578,466,909	578,466,909	29,210,063	607,676,972
Other comprehensive income for the period	-	-	-	-	-	-
Surplus / (deficit) transferred to accumulated profit:						
- on account of incremental depreciation charged during the period - net of tax	-	-	7,856,548	7,856,548	-	7,856,548
- on account of disposal of fixed assets during the period-net of tax	-	-	(80,527)	(80,527)	-	(80,527)
Total comprehensive income for the period	-	-	586,242,930	586,242,930	29,210,063	615,452,993
Transactions with owners:						
-Final dividend for the year ended 30 June 2014@ Rs. 7 per share	-	-	(271,681,569)	(271,681,569)	-	(271,681,569)
-Interim dividend for the year ended 30 June 2015 @ Rs. 4 per share	-	-	(120,747,364)	(120,747,364)	-	(120,747,364)
	-	-	(392,428,933)	(392,428,933)	-	(392,428,933)
Balance as at 31 March 2015	301,868,410	321,843	2,483,286,469	2,785,476,752	27,960,576	2,913,437,328

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Lahore

Director

Chairperson & Chief Executive

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

1 The Group and its operation

Ferozsons Laboratories Limited ("the Holding Company") was incorporated as a private limited company on 28 January 1954 and was converted into a public limited company on 08 September 1960. The Company is listed on Karachi, Lahore and Islamabad stock exchanges. The Company is primarily engaged in the manufacture and sale of pharmaceutical products and its registered office is situated at 197-A, The Mall, Rawalpindi and the factory is located at Amangarh, Nowshera, Khyber Pakhtoon khwa.

BF Biosciences Limited is an 80% owned subsidiary of the Holding Company and was incorporated as an unquoted public limited company under the Companies Ordinance, 1984 on 24 February 2006. BF Biosciences Limited has been set up for establishing a biotech pharmaceutical plant to manufacture cancer and hepatitis related medicines.

The Holding Company has 98% holding in Farmacia. Farmacia is a partnership duly registered under Partnership Act, 1932. Farmacia is engaged in the retail trading of pharmaceutical products.

2 Basis of consolidation

These consolidated financial information includes the financial statements of Ferozsons Laboratories Limited and its subsidiaries – BF Biosciences Limited and Farmacia ("hereinafter referred as the Group").

Subsidiaries are those entities, including an unincorporated entities such as a partnership that are controlled by another entity (known as the parent). The financial statements of the subsidiaries are included in the consolidated financial information from the date the control commences, until the date when that control ceases. The financial statements of the subsidiaries have been consolidated on line by line basis. Details of the subsidiaries are given in note 1.

All material inter-organization balances, transactions and resulting unrealized profits / losses have been eliminated.

3 Basis of preparation

3.1 Statement of compliance

This condensed interim consolidated financial information is presented in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements of the Companies Ordinance, 1984 differ, the provisions or directives issued under the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) have been followed. This condensed interim consolidated financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2014. Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended 30 June 2014, whereas comparative profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim consolidated financial information for the nine months period ended on 31 March 2014.

The condensed interim consolidated financial information is un-audited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

3.2 Significant accounting policies and estimates

The accounting policies and estimates adopted for the preparation of these condensed interim financial information is the same as those applied in preparation of financial statements for the year ended 30 June 2014.

	Un-Audited 31 March 2015	Audited 30 June 2014
-----Rupees-----		
4 Issued, subscribed and paid up capital		
1,441,952 (30 June 2014: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2014: 119,600) ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	1,196,000	1,196,000
28,625,289 (30 June 2014: 28,625,289) ordinary shares of Rs. 10 each issued as fully paid bonus shares	286,252,890	286,252,890
	<u>301,868,410</u>	<u>301,868,410</u>

5 Contingencies and commitments

Contingencies:

Guarantees issued by banks on behalf of the Company

Out of the aggregate facility of Rs.180 million (30 June 2014: Rs. 130 million) for letter of guarantees, the amount utilized at 31 March 2015 was Rs. 30 million (30 June 2014: Rs. 30.32 million).

Commitments

Letter of credits

Out of the aggregate facility of Rs. 700 million (30 June 2014: Rs. 355 million) for opening letters of credit, the amount utilized at 31 March 2015 for capital expenditure was Rs. 80 million (30 June 2014: Rs. 24.3) and for other than capital expenditure was Rs. 92.4 million (30 June 2014: Rs. 131.62 million).

Guarantees issued on behalf of the subsidiary company

Company has issued cross corporate guarantee to various commercial banks favouring its subsidiary company BF Biosciences Limited amounting to Rs. 275 million (30 June 2014: Rs. 275 million).

	Un-Audited 31 March 2015	Audited 30 June 2014
	-----Rupees-----	
6 Property, plant and equipment		
<u>Cost</u>		
Opening balance	2,212,067,257	2,007,486,286
Additions during the period / year	55,055,005	261,184,065
Transfer/adjustment during the period / year	60,889,008	17,070,757
Disposals during the period / year	(20,334,670)	(73,673,851)
Closing balance	2,307,676,600	2,212,067,257
<u>Accumulated depreciation</u>		
Opening balance	678,289,997	508,480,304
Depreciation for the period / year	145,386,163	235,341,638
Relating to disposals	(16,417,505)	(65,531,945)
Closing balance	807,258,655	678,289,997
Operating assets-net book value	1,500,417,945	1,533,777,260
Capital work in progress	205,335,520	99,553,557
Net book value	1,705,753,465	1,633,330,817
7 Intangible assets		
<u>Cost</u>		
Opening balance	6,862,771	5,543,356
Additions during the period / year	543,600	1,319,415
Transfer/adjustment during the period / year	290,000	-
Closing balance	7,696,371	6,862,771
<u>Accumulated amortization</u>		
Opening balance	5,923,373	3,658,638
Amortisation for the period / year	540,716	2,264,735
Closing balance	6,464,089	5,923,373
Net book value	1,232,282	939,398
	Un-Audited 31 March 2015	Audited 30 June 2014
	-----Rupees-----	
8 Short term investments		
Investments at fair value through profit or loss - listed securities	<i>Note</i> 8.1	748,688,343
	474,802,703	748,688,343
8.1 Investments at fair value through profit or loss - listed securities These investments are 'held for trading' Carrying value	450,968,141	711,492,800
Unrealized gain on re-measurement of investment during the period / year	23,834,562	37,195,543
Fair value of short term investments	<i>Note</i> 8.2	748,688,343
	474,802,703	748,688,343

8.2 Held for trading

	Units		Carrying value		Fair value	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
	-----Number-----		-----Rupees-----		-----Rupees-----	
Mutual Funds						
HBL Money Market Fund	4,154,419	6,422,696	421,703,514	609,650,622	443,140,257	644,345,838
HBL Income Fund	147,088	147,088	14,892,622	13,591,717	16,350,975	14,892,578
MCB DCF Units	1,001	751,071	100,048	75,000,000	106,571	75,107,050
ABL Cash Fund	64,990	72,064	651,504	684,063	694,248	722,424
Faysal Money Market Fund	135,083	135,083	13,620,453	12,566,398	14,510,652	13,620,453
			<u>450,968,141</u>	<u>711,492,800</u>	<u>474,802,703</u>	<u>748,688,343</u>

For the nine months ended		For the three months ended	
31 March 2015	31 March 2014	31 March 2015	31 March 2014

Note -----Rupees-----

9	Revenue - net				
	<i>Gross sales</i>				
	Local	3,730,816,440	2,885,952,837	1,590,618,898	965,218,147
	Export	195,964,336	157,923,413	87,775,474	71,494,156
		<u>3,926,780,776</u>	<u>3,043,876,250</u>	<u>1,678,394,372</u>	<u>1,036,712,303</u>
	<i>Less:</i>				
	Sales returns, discounts and commission	(262,997,114)	(239,306,927)	(83,101,380)	(80,452,020)
	Sales tax	(5,069,190)	(3,122,314)	(2,737,112)	(1,394,977)
		<u>(268,066,304)</u>	<u>(242,429,241)</u>	<u>(85,838,492)</u>	<u>(81,846,997)</u>
		<u>3,658,714,472</u>	<u>2,801,447,009</u>	<u>1,592,555,880</u>	<u>954,865,306</u>
10	Cost of sales				
	Raw materials consumed	10.1 1,825,525,376	1,060,372,971	722,682,707	385,524,027
	Other manufacturing expenses	361,589,666	355,652,857	118,387,481	122,294,513
		<u>2,187,115,042</u>	<u>1,416,025,828</u>	<u>841,070,188</u>	<u>507,818,540</u>
	<i>Work in progress:</i>				
	Opening	97,330,065	94,418,678	126,261,887	101,382,198
	Closing	(134,898,138)	(96,148,157)	(134,898,138)	(96,148,157)
		<u>(37,568,073)</u>	<u>(1,729,479)</u>	<u>(8,636,251)</u>	<u>5,234,041</u>
	Cost of goods manufactured	<u>2,149,546,969</u>	<u>1,414,296,349</u>	<u>832,433,937</u>	<u>513,052,581</u>
	<i>Finished stock:</i>				
	Opening	424,428,669	425,048,851	681,091,408	346,533,107
	Closing	(633,566,283)	(390,066,457)	(633,566,283)	(390,066,457)
		<u>(209,137,614)</u>	<u>34,982,394</u>	<u>47,525,125</u>	<u>(43,533,350)</u>
		<u>1,940,409,355</u>	<u>1,449,278,743</u>	<u>879,959,062</u>	<u>469,519,231</u>

10.1 Raw materials consumed				
Opening	382,880,308	310,046,452	375,017,289	301,889,011
Purchases during the period	1,758,943,569	1,014,903,579	663,963,919	348,212,076
	2,141,823,877	1,324,950,031	1,038,981,208	650,101,087
Closing	(316,298,501)	(264,577,060)	(316,298,501)	(264,577,060)
	1,825,525,376	1,060,372,971	722,682,707	385,524,027

11 Transactions with related parties

The related parties include associated companies, contributory provident fund, major shareholders, directors and key management personnel. Balances with the related parties are shown elsewhere in the accounts. Transactions with related parties during the period are as follows:

	Un-Audited 31 March 2015	Un-Audited 31 March 2014
	-----Rupees-----	
<i>Other related parties</i>		
Company's share in employees provident fund	16,644,158	9,173,607
Remuneration including benefits and perquisites of key management personnel	73,799,258	43,908,702

12 Financial Risk Management

The Company's financial risk management objective and policies are consistent with that disclosed in financial statements for the year ended 30 June 2014.

13 Date of authorization

This condensed interim consolidated financial information has been authorized for issue by the board of directors of the Company on 27 April 2015.

14 General

The figures have been rounded off to the nearest rupee. Corresponding figures have been rearranged and reclassified, where necessary. However, there have been no material rearrangements or reclassifications.

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MORE THAN FIVE DECADES
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TO HUMANITY IN PAKISTAN
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IN PHARMACEUTICALS



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