



***Condensed Interim
Financial Information
for the Nine Month
Ended 31 March 2018***



FEROZSONS
LABORATORIES LIMITED

CONTENTS

Corporate Information	5
Directors' Review Report	6
Condensed Interim Balance Sheet	10
Condensed Interim Profit and Loss Account	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Statement of Changes in Equity	14
Condensed Interim Cash Flow Statement	15
Notes to the Condensed Interim Financial Information	16
Consolidated Accounts	
Condensed Interim Consolidated Balance Sheet	26
Condensed Interim Consolidated Profit and Loss Account	28
Condensed Interim Consolidated Statement of Comprehensive Income	29
Condensed Interim Consolidated Statement of Changes in Equity	30
Condensed Interim Consolidated Cash Flow Statement	31
Notes to the Condensed Interim Consolidated Financial Information	32



60 YEARS
OF TRUST & DEVOTION

The logo features the number '60' in a large, thin-lined font. A cross symbol is integrated into the lower-left portion of the '6'. To the right of the '0', the word 'YEARS' is written in a bold, sans-serif font, with three small bird silhouettes flying above it. Below 'YEARS', the words 'OF TRUST & DEVOTION' are written in a smaller, all-caps, sans-serif font.

CORPORATE INFORMATION
Board of Directors

Mrs. Akhter Khalid Waheed
 Mr. Osman Khalid Waheed
 Mrs. Amna Piracha Khan
 Ms. Munize Azhar Peracha
 Mr. Nihal F. Cassim
 Mr. Shahid Anwar
 Mr. Arshad Saeed Husain

Chairperson
 Chief Executive

Non-Executive Director
 Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Independent Director

Audit Committee

Mr. Arshad Saeed Husain
 Mrs. Amna Piracha Khan
 Mr. Nihal F. Cassim
 Mr. Shahid Anwar

Chairman
 Member
 Member
 Member

Investment Committee

Mr. Nihal F. Cassim
 Mr. Osman Khalid Waheed
 Mr. Shahid Anwar

Chairman
 Member
 Member

HR & Remuneration Committee

Mr. Shahid Anwar
 Mr. Osman Khalid Waheed
 Mr. Nihal F. Cassim
 Mr. Arshad Saeed Husain

Chairman
 Member
 Member
 Member

Company Secretary / Chief Financial Officer

Syed Ghausuddin Saif

Share Registrar

CorpTec Associates (Pvt.) Limited
 503-E, Johar Town
 Lahore, Pakistan
 Telephone: +92-42-35170336-37
 Fax: +92-42-35170338

Head of Internal Audit

Mr. Rizwan Hameed Butt

External Auditors

KPMG Taseer Hadi & Co.
 Chartered Accountants

Factory

P.O. Ferozsons
 Amangarh
 Newshehra (KPK), Pakistan
 Telephone: +92-923-614295, 610159
 Fax: +92-923-611302

Internal Auditors

EY Ford Rhodes
 Chartered Accountants

Bankers

Habib Bank Limited
 Bank Al-Habib Limited
 Bank Alfalah Limited
 Habib Metropolitan Bank Limited
 Meezan Bank Limited
 MCB Bank Limited
 Allied Bank Limited

Head Office

5.K.M - Sunder Raiwind Road
 Lahore, Pakistan
 Telephone: +92-42-36026700
 Fax: +92-42-36026701

Legal Advisors

Khan & Piracha

Sales Office Lahore

43-Al Noor Building
 Bank Square, The Mall
 Lahore, Pakistan
 Telephone: +92-42-37358194
 Fax: +92-42-37313680

Registered Office

Ferozsons Laboratories Limited
 197-A, The Mall
 Rawalpindi-46000, Pakistan
 Telephone: +92-51-4252155-57
 Fax: +92-51-4252153
 Email: cs@ferozsons-labs.com

Sales Office Karachi

House No. 9, Block 7/8,
 Maqbool Cooperative Housing Society,
 Shahrah-e-Faisal, Karachi, Pakistan
 Telephone: +92-21-34386852
 Fax: +92-21-34386754

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 MARCH 2018

We are pleased to present a brief review of your Company's un-audited Standalone and Consolidated condensed interim financial information for the nine months ended 31 March 2018. The consolidated condensed interim financial information incorporates the Company's 98% owned 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 31-Mar-18	9 Months 31-Mar-17	3 Months 31-Mar-18	3 Months 31-Mar-17	9 Months 31-Mar-18	9 Months 31-Mar-17	3 Months 31-Mar-18	3 Months 31-Mar-17
	(Rupees in thousand)							
Sales (net)	3,397,708	3,175,090	1,174,325	866,243	3,834,182	3,710,299	1,333,947	1,043,691
Gross Profit	1,201,560	1,453,267	421,655	382,269	1,216,927	1,587,016	441,312	419,385
Profit before tax	225,174	586,415	63,789	112,749	133,467	609,039	50,463	119,507
Taxation	(121,464)	(119,765)	(39,317)	(5,186)	(94,357)	(123,445)	(29,301)	(8,466)
Profit after tax	103,710	466,651	24,471	107,563	39,110	485,594	21,162	111,041

Standalone Net Sales of your Company grew by 7% for the nine months and 36% for the 3rd Quarter in comparison to the respective corresponding period last year. At the group level, Net Sales grew by 3% over the nine months and 28% for the 3rd Quarter ended March 31, 2018, respectively.

The Net Sales outside Gilead portfolio increased by 29% as compared to same period last year. This increase in net sales has been partially offset with the decline in sales of imported products for HCV under franchise from Gilead Sciences Inc.

Gross Profit (GP) percentage margins declined by 8% during the 3rd Quarter and 11% in nine months period under review over the corresponding period of last year. The decrease in GP margin is mainly due to provision for slow moving stock and increase in sales made to government institutions which carry lower GP margins. A further provision against slow moving stock of Sovaldi amounting to Rs. 90 million has also been recorded in the 3rd Quarter. This has led to a total year to date provision of Rs. 190 million against slow moving stock of Sovaldi.

The effective tax rate for the period ended 31 March 2018 closed at 54% against 20% last year, the change in effective tax rate is due to provision for slow moving stock which was taxed under final tax regime at import stage.

Your Company reported Net Profit after Tax (NPAT) of Rs. 24.5 million for the 3rd Quarter and Rs. 103.7 million for the nine months period ended 31 March 2018.

Based on the Net Profit for the nine months ended 31 March 2018, the Earnings per Share (EPS), both basic and diluted, stand at Rs. 3.44 compared to EPS of Rs. 15.46 of same period last year.

BF Biosciences Limited Operational Status

The Company's subsidiary BF Biosciences Limited closed its Net Sales at Rs. 150.3 million for the 3rd Quarter and Rs. 382.8 million for the nine months period ended 31 March 2018, with a decline of 16% in comparison with the last year same period. Net Loss after Tax (NLAT) for the nine months period under review stood at Rs. 55 million. The decline in operating results of the subsidiary is primarily due to provision for slow moving stock and decrease in sales of Interferon based medicines being used for treatment of HCV. As a matter of prudence, management has

recorded provision against slow-moving stock of Interferons amounting to Rs. 33 million during the period under review.

Future Outlook

The Drug Regulatory Authority of Pakistan (DRAP) has approved our application for registration of Epclusa®, a pan genotypic agent for treatment of HCV from Gilead. DRAP has also registered a number of unlicensed generic brands of Epclusa®. While we are hopeful that the addition of Epclusa will present another paradigm shift in HCV treatment and elimination, low cost generics will add to the competition in the HCV market space.

Your company is in the process of launching new product and expanding its portfolio in the management chronic diseases. Recently, we have launched Valiant and Valiant-M, a range of products for the treatment of diabetes mellitus.

In line with our growing commitment to maternal and child health, Ferozsons has partnered with PanTheryx Inc., a US-based life science company, to launch DiaResQ sachets, a breakthrough nutritional innovation for diarrhoea relief in children and adults. The product was included among the world's 30 leading healthcare innovations that show promise in transforming global health by 2030, in the 'Reimagining Global Health, Innovation Countdown 2030' report, produced by PATH, and supported by Bill & Melinda Gates Foundation, USAID and Ministry of Foreign Affairs, Norway.

DiaResQ gives physicians an option for a highly effective nature-based treatment of diarrhoea, a disease that annually claims the lives of over 125,000 children under the age of 5 in Pakistan alone.

As appraised in the last report, we were able to secure a direct order of 340 ultrasound machines from the Punjab Government and trained over 400 midwives to date on detection of preventable mortalities during pregnancy and child-birth, for our Principals GE Healthcare. During the quarter under review 200 ultrasound machines were supplied and indenting commission was booked accordingly.

Acknowledgments

We thank our customers, vendors, distributors, business partners and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Mr. Osman Khalid Waheed
Chief Executive Officer

Mrs. Akhter Khalid Waheed
Chairperson

BF بائیوسائنسز لمیٹڈ کی آپریٹل صورتحال

31 مارچ 2018 پر ختم ہونے والی تیسری سہ ماہی کے دوران کمپنی کی ذیلی کمپنی BF بائیوسائنسز لمیٹڈ کی فروخت (خالص) 150.3 ملین روپے رہی جبکہ اس نوماہی کیلئے فروخت (خالص) 328.8 ملین روپے رہی، جس میں پچھلے سال کے اسی عرصہ کے مقابلے میں 16% کمی آئی۔ زیر جائزہ نوماہی کے دوران بعد از ٹیکس خسارہ (NLAT) 55 ملین روپے رہا۔ ذیلی کمپنی کے آپریٹنگ نتائج میں کمی کی وجہ سے رفرماری سے فروخت ہونے والے سٹاک کی تخمینہ کردہ لاگت (Provision) ریکارڈ کرتا ہے اور HCV کے علاج کیلئے انٹرفیرون والی ادویات کی فروخت میں کمی ہے۔ سمجھداری کے تقاضے سے، زیر جائزہ مدت کے دوران انتظامیہ نے سست رفرماری سے فروخت ہونے والے انٹرفیرون کے سٹاک کی 33 ملین روپے کی تخمینہ کردہ لاگت (Provision) ریکارڈ کر لی ہے۔

مستقبل کے امکانات کا جائزہ

ڈرگ ریگولیٹری اتھارٹی آف پاکستان (DRAP) نے ہماری اینپلو سائز، گائیڈ کی HCV کے علاج کیلئے ایک چین۔ جینو ٹائپ ایجنٹ، کی رجسٹریشن کی درخواست منظور کر لی ہے۔ DRAP نے اینپلو سائز کے فیئر لائسنس شدہ جنیٹک برانڈز بھی رجسٹر کر لے ہیں۔ ہم پرامید ہیں کہ اینپلو سائز کے اضافے سے HCV کے علاج اور خاتمے کے منظر نامے میں ایک مثالی تبدیلی آئے گی، تاہم کم لاگت کی جنیٹک ادویات HCV کی مارکیٹ میں مسابقت برعکاس کریں گی۔

آپ کی کمپنی نئی مصنوعات متعارف کروا رہی ہے اور دیرینہ بیماریوں کی نگہداشت کیلئے اپنا پورٹ فولیو بڑھا رہی ہے۔ حال ہی میں ہم نے ویلیانٹ (Valiant) اور ویلیانٹ ایم (Valiant-M) متعارف کروائی ہیں، جو کہ ذیابیطس کے علاج کی ادویات ہیں۔

زچہ اور پچہ کی صحت کیلئے ہونے والے عزم کے سبب فیروز سنز نے چین تھیرپیس انکارپوریٹڈ (PanTherXy Inc.)، جیائپائی سائنس کی ایک امریکی کمپنی، کے ساتھ شراکت داری کی ہے اور ڈائریک (DiaResQ) سائٹس متعارف کروائے ہیں جو کہ پچوں اور بڑوں میں اسپہال سے آرام کیلئے ایک جدید غذائی پیش رفت ہے۔ PATH کی تیار کردہ "عالمی صحت کا خاکہ، 2030 تک متعارف کردہ مدت (Reimagining Global Health, Innovation Countdown 2030)" رپورٹ میں اس پروڈکٹ کو صحت سے متعلق دنیا کی 30 بہترین چھٹوں میں شامل کیا گیا جو 2030 تک عالمی صحت کا منظر نامہ بدلنے کی صلاحیت رکھتی ہیں، اس رپورٹ کی بل اینڈ ملنڈ انکیٹس فاؤنڈیشن، USAID اور ناروے کی وزارت برائے خارجی امور نے حمایت کی۔

ڈائریک (DiaResQ) سے ڈاکٹروں کو اسپہال کا ایک انتہائی مؤثر قدرتی علاج میسر آیا ہے، اسپہال کی وجہ ہر سال صرف پاکستان میں 125,000 سے زیادہ سال سے چھوٹے بچوں کی موت واقع ہو جاتی ہے۔

جیسا کہ پچھلی رپورٹ میں بتایا گیا، ہم نے پنجاب گورنمنٹ سے 340 الٹراساؤنڈ مشینوں کا براہ راست ٹھیکہ حاصل کیا ہے اور اپنے پرنسپل GE ہلٹھ کیئر کیلئے 400 سے زیادہ دایوں کی حمل اور پیڈ ائلی کے دوران قابل انسداد اموات کی شناخت کیلئے تربیت کی ہے۔ زیر جائزہ سہ ماہی کے دوران 200 الٹراساؤنڈ مشینیں فراہم کی گئیں اور ان کا انڈیکسنگ 'Indenting' کمیشن درج کر لیا گیا۔

اعتراف

ہم اپنے خریداروں، ویئنڈرز، ڈسٹری بیوٹرز، کاروباری شراکت داروں اور ڈینکڑے کا انکی مسلسل حمایت کیلئے شکریہ ادا کرتے ہیں۔ ہم ہر سطح کے ملازمین کی کاوشوں کا اعتراف کرتے ہیں اور انھیں خراج تحسین پیش کرتے ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے

(مسٹر عثمان خالد وحید)
چیف ایگزیکٹو آفیسر

(مسز اختر خالد وحید)
چیئر پرسن

31 مارچ 2018 پر ختم ہونے والی نوماہی کے مختصر عبوری مالیاتی نتائج پر ڈائریکٹرز کی جائزہ رپورٹ

ہم انتہائی مسرت سے 31 مارچ 2018 پر ختم ہونے والی نوماہی کیلئے کھینچی گئی غیر پڑتال شدہ انفرادی اور انضمام کردہ مختصر عبوری مالیاتی نتائج پیش کرتے ہیں۔ انضمام کردہ مختصر عبوری مالیاتی نتائج میں فارمیٹوینٹر (98 فیصد ملکیت) اور زیلی کھینچی (BF) نیو سائنسز لمیٹڈ (80 فیصد ملکیت) کے مالیاتی نتائج ضم کئے گئے ہیں۔

آپریٹیشن اور مالیاتی کارکردگی

زیر جائزہ مدت کے آپریٹیشن نتائج کا خلاصہ نیچے دیا گیا ہے:

انضمام کردہ				انفرادی			
3 سینی	3 سینی	9 سینی	9 سینی	3 سینی	3 سینی	9 سینی	9 سینی
31 مارچ	31 مارچ	31 مارچ	31 مارچ	31 مارچ	31 مارچ	31 مارچ	31 مارچ
2017	2018	2017	2018	2017	2018	2017	2018
(ہزار روپے)							
1,043,691	1,333,947	3,710,299	3,834,182	866,243	1,174,325	3,175,090	3,397,708
419,385	441,312	1,587,016	1,216,927	382,269	421,655	1,453,267	1,201,560
119,507	50,463	609,039	133,467	112,749	63,789	586,415	225,174
(8,466)	(29,301)	(123,445)	(94,357)	(5,186)	(39,317)	(119,765)	(121,464)
111,041	21,162	485,594	39,110	107,563	24,471	466,651	103,710
خالص فروخت							
خام منافع							
قبل از ٹیکس منافع							
ٹیکس							
بعد از ٹیکس منافع							

کھینچی کی انفرادی فروخت (خالص) میں اس نوماہی کے دوران گزشتہ سال کی اسی نوماہی کے مقابلے میں 7% اضافہ ہوا جبکہ تیسری سہ ماہی کے دوران گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 36% اضافہ ہوا۔ گروپ کی فروخت (خالص) میں 31 مارچ 2018 پر ختم ہونے والی نوماہی کے دوران گزشتہ سال کی اسی نوماہی کے مقابلے میں 3% اضافہ ہوا جبکہ 31 مارچ 2018 پر ختم ہونے والی تیسری سہ ماہی کے دوران گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 28% اضافہ ہوا۔

گلیڈ پورٹ فلیو کے علاوہ دیگر مصنوعات کی فروخت (خالص) میں پچھلے سال کے اسی عرصہ کے مقابلے میں 29% اضافہ ہوا۔ فروخت (خالص) میں اضافہ گلیڈ سائنسز انکلیپور ریڈ سے فرنیچر کے تحت درآمد کردہ HCV مصنوعات کی فروخت میں کمی کے ساتھ جزوی طور پر منسوخ ہو گیا۔

گراس منافع کی گنجائش میں زیر جائزہ تیسری سہ ماہی کے دوران پچھلے سال کی اسی سہ ماہی کے مقابلے میں 8% کمی واقع ہوئی جبکہ زیر جائزہ نوماہی کے دوران پچھلے سال کی اسی نوماہی کے مقابلے میں 11% کمی ہوئی۔ گراس منافع کی گنجائش میں کمی کی بڑی وجوہات یہ ہیں کہ کھینچی نے سست رقمی سے فروخت ہونے والے سٹاک کی تخمینہ کردہ لاگت (Provision) ریکارڈ کی اور کلومیٹ اور اولوں کو فروخت میں اضافہ ہوا جس فروخت میں گراس منافع کی کم گنجائش ہوتی ہے۔ تیسری سہ ماہی کے دوران سست رقمی سے فروخت ہونے والے سوالڈی (Sovaldi) کے سٹاک کیلئے 90 ملین روپے کی مزید تخمینہ کردہ لاگت (Provision) ریکارڈ کی گئی۔ اس طرح سست رقمی سے فروخت ہونے والے سوالڈی (Sovaldi) کے سٹاک کیلئے اس سال میں کل 190 ملین روپوں کی تخمینہ کردہ لاگت (Provision) ریکارڈ کی گئی۔

31 مارچ 2018 پر ختم ہونے والی نوماہی کیلئے موثر شرح ٹیکس 54% رہی جو کہ پچھلے سال 20% تھی، موثر شرح ٹیکس میں اضافے کی وجہ سست رقمی سے فروخت ہونے والے سٹاک کی تخمینہ کردہ لاگت (Provision) ریکارڈ کرنا ہے کیونکہ سٹاک پر درآمد کے وقت فائنل ٹیکس ریٹائرمنٹ کے تحت ٹیکس لگایا گیا تھا۔

31 مارچ 2018 پر ختم ہونے والی تیسری سہ ماہی اور نوماہی کے دوران کھینچی کا بعد از ٹیکس خالص منافع (NPAT) بائرنٹیو 24.5 ملین روپے اور 103.7 ملین روپے رہا۔

31 مارچ 2018 پر ختم ہونے والی نوماہی کے خالص منافع کی بنیاد پر، دیباہی اور تھمیل کردہ فی حصص آمدن (EPS) 3.44 روپے رہی جبکہ پچھلے سال کے اسی نوماہی میں بنیادی اور تھمیل کردہ فی حصص آمدن (EPS) 15.46 روپے تھی۔

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Un-audited 31 March 2018	Audited 30 June 2017
Note	----- Rupees -----	----- Rupees -----
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized share capital 50,000,000 (30 June 2017: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000
Issued, subscribed and paid up capital 3	301,868,410	301,868,410
Capital reserve	321,843	321,843
Surplus on revaluation of property, plant and equipment - net of tax	787,559,455	807,524,953
Accumulated profit	3,736,360,064	3,733,431,676
	4,826,109,772	4,843,146,882
 <u>Non current liabilities</u>		
Deferred taxation	159,626,060	167,046,631
 <u>Current liabilities</u>		
Trade and other payables	508,324,360	461,694,870
Deposits, accrued liabilities and advances	173,117,267	220,916,309
Short term borrowings - secured 4	167,793,627	2,138,283
Unclaimed dividend	82,291,654	80,854,747
Accrued mark-up	2,029,761	1,646,851
Contingencies and commitments 5	933,556,669	767,251,060
	5,919,292,501	5,777,444,573

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

	Un-audited 31 March 2018	Audited 30 June 2017
Note	----- Rupees -----	-----
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	6 2,609,785,489	2,566,321,990
Intangibles	2,543,430	2,319,638
Long term investments	7 296,064,197	280,949,050
Long term deposits	7,066,325	7,066,325
	<u>2,915,459,441</u>	<u>2,856,657,003</u>
<i>Current assets</i>		
Stores, spare parts and loose tools	29,786,921	20,951,720
Stock in trade	1,205,633,976	1,547,839,685
Trade debts - considered good	845,616,053	365,941,171
Loans and advances - considered good	58,914,841	72,918,451
Deposits and prepayments	195,703,675	151,421,998
Other receivables	91,337,345	10,595,528
Short term investments	8 346,486,777	487,884,889
Income tax - net	128,510,070	127,916,951
Cash and bank balances	9 101,843,402	135,317,177
	3,003,833,060	2,920,787,570
	<u>5,919,292,501</u>	<u>5,777,444,573</u>

 Director

 Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	Nine months period ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<i>Note</i>	----- Rupees -----			
Revenue - net	10 3,397,708,484	3,175,089,688	1,174,324,740	866,243,292
Cost of sales	11 (2,196,149,013)	(1,721,822,556)	(752,669,358)	(483,974,753)
Gross profit	1,201,559,471	1,453,267,132	421,655,382	382,268,539
Administrative expenses	(227,480,447)	(206,644,771)	(75,612,054)	(70,251,725)
Selling and distribution expenses	(793,325,816)	(637,892,515)	(319,738,046)	(206,777,682)
Other expenses	(42,417,039)	(46,233,066)	(14,222,399)	(4,620,953)
Other income	95,953,950	37,469,248	54,418,429	15,336,432
Profit from operations	234,290,119	599,966,028	66,501,312	115,954,611
Finance costs	(9,115,711)	(13,550,758)	(2,712,783)	(3,205,372)
Profit before taxation	225,174,408	586,415,270	63,788,529	112,749,239
Taxation	12 (121,464,154)	(119,764,560)	(39,317,227)	(5,186,239)
Profit after taxation	103,710,254	466,650,710	24,471,302	107,563,000
Earnings per share - basic and diluted	3.44	15.46	0.82	3.56

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

 Chief Executive Officer

 Director

 Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT
 OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018**

	Nine months period ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- Rupees -----			
Profit after taxation	103,710,254	466,650,710	24,471,302	107,563,000
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	103,710,254	466,650,710	24,471,302	107,563,000

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

 Chief Executive Officer

 Director

 Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

14

	Share capital	Capital reserve	Surplus on revaluation of property, plant and equipment - net of tax	Accumulated profit	Total
Rupees					
Balance as at 01 July 2016	301,868,410	321,843	832,797,085	3,765,936,024	4,900,923,362
Total comprehensive income for the period	-	-	-	466,650,710	466,650,710
Surplus transferred to accumulated profit: - on account of incremental depreciation charged during the period - net of tax	-	-	(19,966,500)	19,966,500	-
Transactions with owners of the Company:					
- Final dividend for the year ended 30 June 2016 at Rs. 12 per share	-	-	-	(362,242,092)	(362,242,092)
- Interim dividend for the year ended 30 June 2015 at Rs. 4 per share	-	-	-	(90,560,523)	(90,560,523)
	-	-	-	(452,802,615)	(452,802,615)
Balance as at 31 March 2017 - unaudited	<u>301,868,410</u>	<u>321,843</u>	<u>812,830,585</u>	<u>3,799,750,619</u>	<u>4,914,771,457</u>
Balance as at 01 July 2017	301,868,410	321,843	807,524,953	3,733,431,676	4,843,146,882
Total comprehensive income for the period	-	-	-	103,710,254	103,710,254
Surplus transferred to accumulated profit: - on account of incremental depreciation charged during the period - net of tax - on account of disposal of fixed assets during the year - net of tax	-	-	(19,966,500) 1,002	19,966,500 (1,002)	-
	-	-	(19,965,498)	19,965,498	-
Transactions with owners of the Company:					
- Final dividend for the year ended 30 June 2017 at Rs. 4 per share	-	-	-	(120,747,364)	(120,747,364)
Balance as at 31 March 2018 - unaudited	<u>301,868,410</u>	<u>321,843</u>	<u>787,559,455</u>	<u>3,736,360,064</u>	<u>4,826,109,772</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim unaudited financial information.

 Chief Executive Officer

 Director

 Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	31 March 2018	31 March 2017
Rupees		
<u>Cash flow from operating activities</u>		
Profit before taxation	225,174,408	586,415,270
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	183,095,982	151,881,722
Amortisation	1,517,184	1,391,515
Provision for slow moving stock in trade	190,000,000	-
Gain on disposal of property, plant and equipment	(6,335,457)	(10,056,951)
Finance costs	9,115,711	13,550,758
Gain on re-measurement of short term investments to fair value	(13,281,541)	(9,001,585)
Gain on sale of short term investments	(1,947,077)	(3,171,520)
Profit on term deposits	-	(834,747)
Share in profit of Farmacia	(15,115,147)	(12,625,015)
Workers' Profit Participation Fund	12,309,965	31,246,017
Central Research Fund	2,920,392	6,312,327
Workers' Welfare Fund	8,281,399	7,259,052
	370,561,411	175,951,573
Cash generated from operations before working capital changes	595,735,819	762,366,843
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(8,835,201)	(5,540,687)
Advances, deposits, prepayments and other receivables	(111,019,884)	(146,435,175)
Stock in trade	152,205,709	(115,481,597)
Trade debts - considered good	(479,674,882)	142,130,710
	(447,324,258)	(125,326,749)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	29,600,101	(37,441,067)
Deposits, accrued liabilities and advances	(47,799,042)	(38,824,846)
	(18,198,941)	(76,265,913)
Cash generated from operations	130,212,620	560,774,181
Taxes paid	(129,477,847)	(171,442,689)
Worker's Profit Participation Fund paid	-	(19,021,668)
Worker's Welfare Fund paid	-	(54,163,779)
Central Research Fund paid	(6,482,366)	(28,795,204)
Long term deposits	-	(715,000)
Net cash generated from operating activities	(5,747,593)	286,635,841
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(230,534,759)	(372,622,035)
Acquisition of intangibles	(1,740,976)	-
Dividend income	-	-
Proceeds from sale of property, plant and equipment	10,310,736	14,791,302
Profit on term deposits	-	1,522,185
Redemption of short term investments - net	156,626,730	139,587,784
Net cash used in investing activities	(65,338,269)	(216,720,764)
<u>Cash flow from financing activities</u>		
Finance cost paid	(8,732,801)	(11,344,442)
Dividend paid	(119,310,457)	(439,384,721)
Net cash used in financing activities	(128,043,258)	(450,729,163)
Net decrease in cash and cash equivalents	(199,129,119)	(380,814,086)
Cash and cash equivalents at the beginning of the period	133,178,894	249,679,779
Cash and cash equivalents at the end of the period	(65,950,225)	(131,134,307)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	101,843,402	99,886,414
Running finance	(167,793,627)	(231,020,721)
	(65,950,225)	(131,134,307)

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

1 Reporting entity

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 Pakistan Stock Exchange Limited (previously the Karachi, Lahore and Islamabad stock exchanges) and is primarily engaged in the imports, manufacture and sale of pharmaceuticals products and medical devices. Its registered office is situated at 197-A, The Mall, Rawalpindi and the factory is located at Amangarh, Nowshera, Khyber Pakhtun Khwa.

2 Basis of preparation

2.1 Basis of accounting

2.1.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 March 2018 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated cash flow statement together with the notes forming part thereof.

2.1.2 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

2.1.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2017.

2.1.4 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2017, whereas comparative unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2017.

2.1.5 This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

2.2 Judgements and estimates

In preparing this interim unconsolidated 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. 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 unconsolidated financial statements as at and for the year ended 30 June 2017.

2.3 Statement of consistency in accounting policies

2.3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2017 except that pursuant to the requirements of IAS-7 "Statement of cash flows" a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 14 to the unconsolidated interim financial information.

2.3.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2018 and are not expected to have significant impact on this condensed unconsolidated interim financial information:

<u>Standard or Interpretation</u>	Effective date (accounting periods beginning on or after)
IFRS 15 - Revenue from contracts with customers	01 July 2018
IFRS 9 - Financial Instrument	01 July 2018
Amendment to IFRS 9 - Financial Instrument	01 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
Amendment to IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

Un-audited 31 March 2018	Audited 30 June 2017
-----Rupees-----	

3 Issued, subscribed and paid up capital

1,441,952 (30 June 2017: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2017: 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 2017: 28,625,289) ordinary shares of Rs. 10 each issued as fully paid bonus shares	286,252,890	286,252,890
	301,868,410	301,868,410

KFW Factors (Private) Limited, an associated company holds 8,286,942 (30 June 2017: 8,286,942) ordinary shares of Rs. 10 each of the Company.

4 Short term borrowings - secured

With conventional financial institutions

The Company has short term borrowing facilities available from various commercial banks under mark up arrangements having aggregate sanctioned limit of Rs. 750 million (30 June 2017: Rs. 750 million). These facilities carry mark-up at the rates ranging from three months KIBOR plus 0.3% to 0.9% (30 June 2017: three months KIBOR plus 0.1% to 0.9%) per annum on the outstanding balances. Out of the aggregate facilities, Rs. 450 million are secured by first pari passu charge of Rs. 1,000 million over all present and future assets of the Company (excluding land and building) and remaining Rs. 300 million (30 June 2017: Rs. 300 million) facility is secured by lien on Company's short term investments (money market/income fund) which should be 110% of the maximum limit allowed for utilization. Under this arrangement, short term investment of Rs. 333.33 million (30 June 2017: Rs. 207.75 million) is marked under lien.

With shariah compliant financial institutions

The Company has short term borrowing facility i.e. Running Musharakah available from Islamic bank under profit arrangements having sanctioned limit of Rs. 200 million (30 June 2017: Rs. 200 million). This facility carries profit rate of three months KIBOR plus 0.3% (30 June 2017: three months KIBOR plus 0.3%) per annum on the outstanding balance. This facility is secured by first pari passu charge over current assets of the Company.

5 Contingencies and commitments

5.1 Contingencies

There is no significant change in contingencies already disclosed in preceding annual published financial statement of the Company for the year ended 30 June 2017.

5.2 Commitments

5.2.1 Letter of credits

5.2.1.1 With conventional financial institutions

Out of the aggregate facility of Rs. 600 million (30 June 2017: Rs. 600 million) for opening letters of credit, the amount utilized at 31 March 2018 for capital expenditure was Rs. 55.9 million (30 June 2017: Rs. Nil) and for other than capital expenditure was Rs. 124.9 million (30 June 2017: Rs. 166.15 million). These facilities are secured by first pari passu charge of Rs. 1,000 million over all present and future current assets and fixed assets (excluding land & building) of the company.

5.2.1.2 With shariah compliant financial institutions

The Company has facility i.e. letters of credit of Rs.75 million (30 June 2017: Rs. 75 million) available from Islamic bank, the amount utilized at 31 March 2018 for capital expenditure was Rs. 7.1 million (30 June 2017: Rs. Nil) and for other than capital expenditure was Rs. 37.6 million (30 June 2017: Rs. 28.74 million). This facility is secured by first pari passu charge of Rs. 94 million over current assets of the company. Lien is also marked over import documents.

	Un-audited 31 March 2018	Audited 30 June 2017	
<i>Note</i>	-----Rupees-----		
6 Property, plant and equipment			
<u>Cost</u>			
Opening balance at beginning of the period / year	2,720,001,043	2,222,856,411	
Additions / transfers during the period / year	195,377,213	526,800,955	
Disposals during the period / year	(17,288,152)	(29,656,323)	
Closing balance at end of the period / year	2,898,090,104	2,720,001,043	
<u>Accumulated depreciation</u>			
Opening balance at beginning of the period / year	370,941,222	185,948,373	
Depreciation for the period / year	183,096,151	209,789,257	
On disposals	(13,312,872)	(24,796,408)	
Closing balance at end of the period / year	540,724,501	370,941,222	
Operating fixed assets - net book value	2,357,365,603	2,349,059,821	
Capital work in progress - at cost	252,419,886	217,262,169	
	2,609,785,489	2,566,321,990	
7 Long term investments			
<i>Related parties - at cost:</i>			
Farmacia (partnership firm)	7.1	144,064,237	128,949,090
BF Biosciences Limited (unlisted subsidiary)	7.2	151,999,960	151,999,960
		296,064,197	280,949,050

7.1 This represents the Company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail pharmacy. Share of profit, if any, for the period / year not withdrawn is reinvested in capital account of partnership.

7.2 This represents investment made in 15,199,996 (30 June 2017: 15,199,996) ordinary shares of Rs. 10 each, in BF Biosciences Limited. BF Biosciences Limited has been set up for establishing a Biotech Pharmaceutical Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company holds 80% (30 June 2017: 80%) of equity of the subsidiary and the remaining 20% (30 June 2017: 20%) is held by Gurpo Empresarial Bagó S.A, Argentina (previously known as Laboratories Bagó S.A., Argentina).

	Un-audited	Audited
	31 March	30 June
	2018	2017
<i>Note</i>	-----	-----
	Rupees	

8 Short term investments

Investments at fair value through profit or loss - listed securities

Held for trading	8.1	346,486,777	487,884,889
		<u>346,486,777</u>	<u>487,884,889</u>

8.1 These investments are 'held for trading'

Carrying value at 01 July		487,884,889	-
Acquisition during the period/year		-	724,215,542
Redemption during the period/year		(156,626,730)	(239,587,784)
Realized gain on sale of investments during the period / year		1,947,077	3,171,520
Unrealized gain on re-measurement of investment - during the period/year		13,281,541	85,611
Carrying and fair value of short term investments at 31 March / 30 June	8.1.1	<u>346,486,777</u>	<u>487,884,889</u>

Units		Fair value	
Un-audited	Audited	Un-audited	Audited
31 March	30 June	31 March	30 June
2018	2017	2018	2017
.....Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	2,041,354	2,041,354	215,937,335	207,745,379
MCB Cash Management Optimizer Fund	-	1,243,740	-	125,017,910
HBL Cash Fund	1,248,377	1,543,804	130,549,442	155,121,600
			<u>346,486,777</u>	<u>487,884,889</u>

8.2 Changes in fair values of financial assets at fair value through profit or loss are recorded in profit and loss account. Realized gain of Rs. 1.95 million (31 March 2017: Rs.3.17 million) has been recorded in the current period in "other income". These investments comprise of mutual funds (money market/ income fund).

8.3 Realized gain on redemption of short term investments is earned under mark up arrangements.

9 Cash and bank balances

9.1 These include current account of Rs. 0.67 million (30 June 2017: Rs. 0.67 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 12.87 million (30 June 2017: Rs. 52.07 million) under mark up arrangements, which carry interest rates ranging from 3.7% - 5.35% (30 June 2017: 3.75% - 5.40%) per annum.

These also include deposit account of Rs. 0.11 million (30 June 2017: Rs. 1.42 million) under Shariah compliant arrangements, which carries profit rate of 2.40% (30 June 2016: 2.40% - 2.41%) per annum.

(Un-audited) nine months ended		(Un-audited) Quarter ended	
31 March 2018	31 March 2017	31 March 2018	31 March 2017

----- Rupees -----

10 Revenue - net

Gross sales:

Local	3,540,940,860	3,284,781,955	1,217,093,140	936,353,529
Export	99,410,098	139,935,535	32,453,416	26,172,029
	3,640,350,958	3,424,717,490	1,249,546,556	962,525,558

Less:

Sales returns	(42,376,804)	(89,119,916)	(13,077,099)	(39,328,168)
Discounts and commission	(186,201,862)	(148,510,170)	(62,142,520)	(53,273,942)
Sales tax	(14,063,808)	(11,997,716)	(2,197)	(3,680,156)
	(242,642,474)	(249,627,802)	(75,221,816)	(96,282,266)
	3,397,708,484	3,175,089,688	1,174,324,740	866,243,292

10.1 This includes sale of both own manufactured and purchased products.

(Un-audited) nine months ended		(Un-audited) Quarter ended	
31 March 2018	31 March 2017	31 March 2018	31 March 2017

Note

----- Rupees -----

11 Cost of sales

Raw and packing materials consumed	11.1	721,750,224	547,790,274	211,920,692	189,105,164
Other manufacturing expenses		374,938,325	328,019,301	135,179,871	115,719,558
		1,096,688,549	875,809,575	347,100,563	304,824,722

Work in process:

Opening	33,156,171	24,195,375	45,390,246	38,502,875
Closing	(50,503,472)	(40,880,120)	(50,503,472)	(40,880,120)
	(17,347,301)	(16,684,745)	(5,113,226)	(2,377,245)

Cost of goods manufactured

	1,079,341,248	859,124,830	341,987,337	302,447,477
--	---------------	-------------	-------------	-------------

Finished stock:

Opening	1,079,226,890	1,526,340,345	891,909,120	1,260,881,619
Purchases made during the period	797,531,036	589,453,840	278,723,062	173,742,116
Closing	11.2	(759,950,161)	(1,253,069,459)	(759,950,161)
	1,116,807,765	862,697,726	410,682,021	181,527,276

	2,196,149,013	1,721,822,556	752,669,358	483,974,753
--	----------------------	----------------------	--------------------	--------------------

11.1 Raw and packing materials consumed

Opening	378,989,330	301,363,782	306,530,708	335,223,246
Purchases made during the period	634,101,235	603,892,810	196,730,325	211,348,236
	1,013,090,565	905,256,592	503,261,033	546,571,482
Closing	(291,340,341)	(357,466,318)	(291,340,341)	(357,466,318)
	721,750,224	547,790,274	211,920,692	189,105,164

11.2 This is net off provision for slow moving stock in trade of Rs. 190 million (31 March 2017: Rs. Nil).

Un-audited 31 March 2018	Un-audited 31 March 2017
-----Rupees-----	

12 Taxation

Current tax		
- For the year	126,865,627	123,724,634
- Prior years	2,019,097	(20,000,000)
	128,884,724	103,724,634
Deferred tax	(7,420,570)	16,039,926
	121,464,154	119,764,560

The Finance Act, 2017 introduced a tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year 2017 and onwards and does not distribute at least forty percent of its after tax profits through cash or bonus shares within six months of the end of the said tax year.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 30 June 2018 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed unconsolidated interim financial information.

13 Transactions with related parties

The Company's related parties include subsidiaries, associated company, entities over which directors are able to exercise influence, staff retirement fund, directors and key management personnel. Balances with the related parties are shown in respective notes in the condensed interim unconsolidated financial information. Transactions with related parties during the period are as follows:

	(Un-audited) nine months ended	
	31 March 2018	31 March 2017
	----- Rupees -----	
<i>Farmacia - 98% owned subsidiary partnership firm</i>		
Sale of medicines	32,246,502	18,608,104
Payment received against sale of finished goods	32,246,502	18,608,104
Share of profit reinvested	15,115,147	12,625,015
Rentals	2,718,460	2,471,335
<i>BF Biosciences Limited - 80% owned subsidiary company</i>		
Sale of finished goods	87,677,641	64,340,526
Payment received against sale of finished goods	87,677,641	64,340,526
Purchase of goods	2,391,980	1,670,936
Payment made against purchase of medicine	2,391,980	1,670,936
Marketing fee	2,795,682	6,176,724
Expenses incurred	4,755,166	15,541,057
Payment made against marketing fee and expenses re-imburement	7,550,848	21,717,781

Other related parties

Contribution towards employees' provident fund	22,897,728	19,439,678
Remuneration including benefits and perquisites of key management personnel	99,309,341	103,265,328
(Receipts from) / Payment into Workers' Profit Participation Fund	(1,529,028)	19,021,668
Dividend to KFW Factors (Private) Limited	33,147,768	124,304,130
Dividend to directors	11,141,136	44,193,540

14 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Dividend Payable	Short term borrowing	Accrued mark-up	Total
-----Rupees-----				
<u>As at 30 June 2017</u>	80,854,747	2,138,283	1,646,851	84,639,881
<u>Changes from financing cash flows</u>				
Dividend paid	(119,310,457)	-	-	(119,310,457)
Financial charges paid	-	-	(8,732,801)	(8,732,801)
Total changes from financing cash flows	(119,310,457)	-	(8,732,801)	(128,043,258)
<u>Other changes</u>				
Change in borrowings	-	165,655,344	-	165,655,344
Dividend expense	120,747,364	-	-	120,747,364
Interest expense	-	-	9,115,711	9,115,711
Total liability related other changes	120,747,364	165,655,344	9,115,711	295,518,419
<u>As at 31 March 2018</u>	82,291,654	167,793,627	2,029,761	252,115,042

15 Financial risk management and financial instruments - fair value

- 15.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2017.

15.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value		
	Cash and cash equivalents	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3
31 March 2018			- Rupees			
Financial assets measured at fair value:						
<i>Financial assets not measured at fair value:</i>						
Long term deposits	-	7,066,325	-	346,486,777	-	-
Trade debts - considered good	-	845,616,053	-	-	-	-
Loans and advances - considered good	-	1,689,966	-	-	-	-
Short term deposits	-	185,383,868	-	-	-	-
Other receivables	91,291,266	81,896,771	-	-	-	-
Bank balances	91,291,266	-	-	-	91,291,266	-
	91,291,266	1,121,662,983	-	346,486,777	1,212,954,249	-
Financial liabilities measured at fair value:						
<i>Financial liabilities not measured at fair value:</i>						
Trade and other payables	-	-	632,899,034	-	-	-
Short term borrowings - secured	-	-	167,793,627	-	-	-
Accrued mark-up	-	-	2,029,761	-	-	-
	-	-	802,722,422	-	-	-
	-	-	802,722,422	-	-	-
30 June 2017						
Financial assets measured at fair value:						
<i>Financial assets not measured at fair value:</i>						
Long term deposits	-	7,066,325	-	487,884,889	-	-
Trade debts - considered good	-	365,941,171	-	-	-	-
Loans and advances - considered good	-	968,647	-	-	-	-
Short term deposits	-	150,645,717	-	-	-	-
Other receivables	128,369,423	256,700	-	-	-	-
Bank balances	128,369,423	-	-	-	128,369,423	-
	128,369,423	524,878,560	-	487,884,889	653,247,983	-
Financial liabilities measured at fair value:						
<i>Financial liabilities not measured at fair value:</i>						
Trade and other payables	-	-	604,908,209	-	-	-
Short term borrowings - secured	-	-	2,138,283	-	-	-
Accrued mark-up	-	-	1,646,851	-	-	-
	-	-	608,693,343	-	-	-
	-	-	608,693,343	-	-	-

16 Subsequent event and date of authorization for issue

The Board of Directors of the Company in its meeting held on 21 April, 2018 has authorized to issue these condensed interim unconsolidated financial statements and has approved interim cash dividend of Rs. Nil per share (31 March 2017: Rs. Nil per share) amounting to Rs. Nil (31 March 2017: Rs. Nil) for the year ending 30 June 2018 in the same meeting.

17 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.

Chief Executive Officer

Director

Chief Financial Officer



60 YEARS
OF TRUST & DEVOTION

The logo features the number '60' in a large, outlined font. A cross symbol is integrated into the lower-left portion of the '6'. To the right of the '0', the word 'YEARS' is written in a bold, sans-serif font, with three birds in flight positioned above it. Below 'YEARS', the words 'OF TRUST & DEVOTION' are written in a smaller, all-caps, sans-serif font.



***Condensed Interim
Consolidated
Financial Information
for the Nine Month
Ended 31 March 2018***



FEROZSONS
LABORATORIES LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Un-audited 31 March 2018	Audited 30 June 2017
Note	----- Rupees -----	
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized share capital 50,000,000 (30 June 2017: 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	4,229,687,035	4,265,339,789
Equity attributable to owners of the Company	4,531,877,288	4,567,530,042
Non-controlling interests	159,789,758	171,535,961
Surplus on revaluation of property, plant and equipment - net of tax	944,926,326	979,164,891
	5,636,593,372	5,718,230,894
<u>Non current liabilities</u>		
Deferred taxation	214,174,718	246,490,537
<u>Current liabilities</u>		
Trade and other payables	552,481,370	500,889,659
Deposits, accrued liabilities and advances	222,747,181	268,153,063
Short term borrowings - secured	5 177,321,126	24,888,862
Unclaimed dividend	82,291,654	80,854,747
Accrued mark-up	2,033,370	1,646,851
	1,036,874,701	876,433,182
Contingencies and commitments	6	
	6,887,642,791	6,841,154,613

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

 Chief Executive Officer

		Un-audited	Audited
		31 March	30 June
		2018	2017
ASSETS			
	<i>Note</i>	----- Rupees -----	
<i>Non-current assets</i>			
Property, plant and equipment	7	3,062,639,278	3,082,250,380
Intangibles		3,012,665	3,172,498
Long term deposits		11,053,325	11,053,325
		3,076,705,268	3,096,476,203
<i>Current assets</i>			
Stores, spare parts and loose tools		55,146,035	45,606,521
Stock in trade		1,362,549,453	1,766,705,139
Trade debts - considered good		905,782,959	429,773,583
Loans and advances - considered good		66,499,298	77,152,418
Deposits and prepayments		230,918,598	170,092,045
Other receivables		91,256,444	9,003,812
Short term investments	8	712,932,584	855,943,421
Income tax - net		164,806,795	146,034,709
Cash and bank balances	9	221,045,357	244,366,762
		3,810,937,523	3,744,678,410
		6,887,642,791	6,841,154,613

 Director

 Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	Note	Nine months period ended		Quarter ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Rupees			
Revenue - net	10	3,834,181,935	3,710,299,172	1,333,947,022	1,043,690,465
Cost of sales	11	<u>(2,617,254,676)</u>	<u>(2,123,282,878)</u>	<u>(892,634,540)</u>	<u>(624,305,547)</u>
Gross profit		1,216,927,259	1,587,016,294	441,312,482	419,384,918
Administrative expenses		(259,823,518)	(241,568,607)	(85,943,288)	(83,440,035)
Selling and distribution expenses		(868,984,061)	(722,420,417)	(347,676,406)	(229,076,439)
Other expenses		(43,647,270)	(50,891,715)	(14,125,171)	(5,865,698)
Other income		98,807,942	51,722,931	59,755,676	22,070,331
Profit from operations		143,280,352	623,858,486	53,323,293	123,073,077
Finance costs		(9,813,448)	(14,819,284)	(2,859,855)	(3,566,485)
Profit before taxation		133,466,904	609,039,202	50,463,438	119,506,592
Taxation	12	(94,357,062)	(123,445,136)	(29,301,276)	(8,466,070)
Profit after taxation		39,109,842	485,594,066	21,162,162	111,040,522
Attributable to:					
Owners of the Company		53,710,658	481,810,432	(8,748,505)	267,323,188
Non-controlling interests		(14,600,816)	3,783,634	(13,172,994)	834,785
Profit after taxation		39,109,842	485,594,066	(21,921,499)	268,157,973
Earnings per share - basic and diluted		1.78	15.96	(0.29)	8.86

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

 Chief Executive Officer

 Director

 Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	Nine months period ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- Rupees -----			
Profit after taxation	39,109,842	485,594,066	21,162,162	111,040,522
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	39,109,842	485,594,066	21,162,162	111,040,522
Attributable to:				
Owners of the Company	53,710,658	481,810,432	(8,748,505)	267,323,188
Non-controlling interests	(14,600,816)	3,783,634	(13,172,994)	834,785
	39,109,842	485,594,066	(21,921,499)	268,157,973

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

 Chief Executive Officer

 Director

 Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	Attributable to Owners of the Company						
	Share capital	Capital reserve	Accumulated profit	Total	Non-controlling interests	Surplus on revaluation of property, plant and equipment - net of tax	Total
	----- Rupees -----						
Balance as at 01 July 2016	301,868,410	321,843	4,279,679,051	4,581,869,304	168,681,094	1,022,739,340	5,773,289,738
Total comprehensive income for the period	-	-	481,810,432	481,810,432	3,783,634	-	485,594,066
Surplus transferred to accumulated profit:	-	-	32,056,469	32,056,469	3,022,493	(35,078,962)	-
-on account of incremental depreciation charged during the period - net of tax	-	-	-	-	-	-	-
Transactions with owners of the Company: recognized directly in equity	-	-	(362,242,092)	(362,242,092)	-	-	(362,242,092)
-Final dividend for the year ended 30 June 2016 at Rs. 12 per share	-	-	(90,560,523)	(90,560,523)	-	-	(90,560,523)
-Interim dividend for the year ended 30 June 2017 at Rs. 3 per share	-	-	(452,802,615)	(452,802,615)	-	-	(452,802,615)
Balance as at 31 March 2017 - un-audited	301,868,410	321,843	4,340,743,337	4,642,933,590	175,487,221	987,660,378	5,806,081,189
Balance as at 01 July 2017	301,868,410	321,843	4,265,339,789	4,567,530,042	171,535,961	979,164,891	5,718,230,894
Total comprehensive income for the period	-	-	53,710,658	53,710,658	(14,600,816)	-	39,109,842
Surplus transferred to accumulated profit:	-	-	31,384,954	31,384,954	2,854,613	(34,239,567)	-
-on account of incremental depreciation charged during the period - net of tax	-	-	(1,002)	(1,002)	-	1,002	-
-on account of disposal of fixed assets during the year - net of tax	-	-	31,383,952	31,383,952	2,854,613	(34,238,565)	-
Transactions with owners of the Company: recognized directly in equity	-	-	(120,747,364)	(120,747,364)	-	-	(120,747,364)
-Final dividend for the year ended 30 June 2017 at Rs. 4 per share	-	-	(120,747,364)	(120,747,364)	-	-	(120,747,364)
Balance as at 31 March 2018 - un-audited	301,868,410	321,843	4,229,687,035	4,531,877,288	159,789,758	944,926,326	5,638,593,372

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

 Chief Executive Officer

 Director

 Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	31 March 2018	31 March 2017
----- Rupees -----		
<i>Cash flow from operating activities</i>		
Profit before taxation	133,466,904	609,039,202
<i>Adjustments for:</i>		
Depreciation	267,521,468	239,723,881
Amortisation	1,900,809	1,775,185
Provision for slow moving stock in trade	214,136,141	-
Gain on disposal of property, plant and equipment	(8,571,851)	(12,425,883)
Finance costs	9,813,448	14,819,284
Provision for doubtful debts	-	6,000
Un-realised gain on re-measurement of short term investments to fair value	(26,641,940)	(30,810,589)
Gain on sale of short term investments	(1,973,951)	(3,971,927)
Profit on term deposits	-	(834,747)
Workers' Profit Participation Fund	12,309,965	33,669,021
Workers' Welfare Fund	8,281,399	8,337,176
Central Research Fund	2,920,392	6,801,823
	479,695,880	257,089,224
Cash generated from operations before working capital changes	613,162,784	866,128,426
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(9,539,514)	(7,328,025)
Loans, advances, deposits and prepayments	(132,396,267)	(111,078,285)
Stock in trade	190,019,545	87,700,871
Trade debts - considered good	(476,009,376)	(165,966,889)
	(427,925,612)	(196,672,328)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(54,464,173)	(46,525,180)
Deposits, accrued liabilities and advances	45,405,882	(27,184,854)
	(9,058,291)	(73,710,034)
Cash generated from operations	176,178,881	595,746,064
Taxes paid	(145,444,967)	(195,052,053)
Workers' Profit Participation Fund paid	-	(28,875,639)
Workers' Welfare Fund paid	(1,572,982)	(58,846,725)
Central Research Fund paid	(6,724,395)	(31,284,809)
Long term deposits	-	(715,000)
Net cash generated from operating activities	22,436,537	280,971,838
<i>Cash flow from investing activities</i>		
Acquisition of property, plant and equipment	(252,324,231)	(383,347,827)
Acquisition of intangibles	(1,740,976)	-
Proceeds from sale of property, plant and equipment	12,985,659	18,216,467
Profit on term deposits	-	834,747
Redemption of short term investments - net	171,626,728	174,587,783
Net cash used in investing activities	(69,452,820)	(189,708,830)
Finance cost paid	(9,426,929)	(12,718,893)
Dividend paid	(119,310,457)	(439,384,721)
Net cash used in financing activities	(128,737,386)	(452,103,614)
Net decrease in cash and cash equivalents	(175,753,669)	(360,840,606)
Cash and cash equivalents at the beginning of the period	219,477,900	341,906,252
Cash and cash equivalents at the end of the period	43,724,231	(18,934,354)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	221,045,357	212,086,367
Running finance	(177,321,126)	(231,020,721)
	43,724,231	(18,934,354)

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

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 Holding Company is listed on the Pakistan Stock Exchange Limited and is primarily engaged in the imports, manufacture and sale of pharmaceuticals products and medical devices. Its registered office is situated at 197-A, The Mall, Rawalpindi and the factory is located at Amangarh, Nowshera, Khyber Pakhtoon Khwa.

"The Group" consists of the following subsidiaries:

Company / Entity	Country of incorporation	Nature of business	Effective holding %	
			Mar-18	Jun-17
BF Biosciences Limited	Pakistan	Import, manufacturing and sale of pharmaceutical products	80	80
Farmacia	Pakistan	Sale and distribution of medicines and other related products	98	98

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 Basis of accounting

3.1.1 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Holding Company, as at 31 March 2018 and the related condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and

condensed interim consolidated cash flow statement together with the notes forming part thereof.

- 3.1.2** This condensed interim consolidated financial information of the Group for the nine months period ended 31 March 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 3.1.3** 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 Holding Company as at and for the year ended 30 June 2017.
- 3.1.4** Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended 30 June 2017, whereas comparative profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flow are stated from un-audited condensed interim consolidated financial information for the nine months period ended on 31 March 2017.
- 3.1.5** This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3.2 Judgements and estimates

In preparing this interim consolidated 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 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2017.

3.3 Statement of consistency in accounting policies

3.3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the consolidated financial statements for the year ended 30 June 2017 except that pursuant to the requirements of IAS-7 "Statement of cash flows" a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 14 to the consolidated interim financial information.

3.3.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Group's operations and are, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2018 and are not expected to have significant impact on this condensed consolidated interim financial information:

<i>Standard or Interpretation</i>	Effective date (accounting periods beginning on or after)
IFRS 15 - Revenue from contracts with customers	01 July 2018
IFRS 9 - Financial Instrument	01 July 2018
Amendment to IFRS 9 - Financial Instrument	01 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
Amendment to IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

	Un-audited 31 March 2018	Audited 30 June 2017
	-----Rupees-----	
4 Issued, subscribed and paid up capital		
1,441,952 (30 June 2017: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2017: 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 2017: 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 Short term borrowings - secured

With conventional financial institutions

The Group has short term borrowing facilities available from various commercial banks under mark up arrangements having aggregate sanctioned limit of Rs. 1,000 million (30 June 2017: Rs. 1,000 million). These facilities carry mark-up at the rates ranging from one to three months KIBOR plus 0.3% to 1% (30 June 2017: one to three months KIBOR plus 0.1% to 1%) per annum on the outstanding balances. Out of the aggregate facilities, Rs. 700 million (30 June 2017: Rs. 700 million) are secured by first pari passu charge of Rs. 1,621 million over all present and future assets (excluding land and building) of the respective Companies in the Group and remaining facility amounting to Rs. 300 million (30 June 2017: Rs. 300 million) is secured by lien on Holding Company's short term investments (money market/income fund) which should be 110% of the maximum limit allowed for utilization. Under this arrangement, short term investment of Rs. 333.33 million (30 June 2017: Rs. 207.75 million) is marked under lien.

With shariah compliant financial institutions

The Holding Company has short term borrowing facility i.e. Running Musharakah available from Islamic bank under profit arrangements having sanctioned limit of Rs. 200 million (30 June 2017: Rs. 200 million). This facility carries profit rate of three months KIBOR plus 0.3% (30 June 2017: three months KIBOR plus 0.3%) per annum on the outstanding balance. This facility is secured by first pari passu charge over current assets of the Holding Company.

6 Contingencies and commitments

6.1 Contingencies

There is no significant change in contingencies already disclosed in preceding annual published financial statement of the Holding Company for the year ended 30 June 2017.

6.2 Commitments

6.2.1 Letter of credits

6.2.1.1 With conventional financial institutions

Out of the aggregate facility of Rs. 850 million (30 June 2017: Rs. 850 million) for opening letters of credit, the amount utilized by the Group at 31 March 2018 for capital expenditure was Rs. 55.9 million (30 June 2017: Rs. Nil) and for other than capital expenditure was Rs. 136.5 million (30 June 2017: Rs. 184.15 million).

6.2.1.2 With shariah compliant financial institutions

The Holding Company has facility i.e letters of credit of Rs.75 million (30 June 2017: Rs. 75 million) availed from Islamic bank, the amount utilized at 31 March 2018 for capital expenditure was Rs. 7.1 million (30 June 2017: Rs. Nil) and for other than capital expenditure was Rs. 37.6 million (30 June 2017: Rs. 28.74 million).

Un-audited 31 March 2018	Audited 30 June 2017
-----Rupees-----	

7 Property, plant and equipment

Cost

Opening balance	3,407,528,666	2,907,402,205
Additions during the period / year	213,950,573	542,036,585
Disposals during the period / year	<u>(22,324,046)</u>	(41,910,124)
Closing balance	<u>3,599,155,193</u>	3,407,528,666

Accumulated depreciation

Opening balance	544,758,302	252,545,028
Depreciation for the period / year	267,521,694	326,993,412
Relating to disposals	<u>(17,910,238)</u>	(34,780,138)
Closing balance	<u>794,369,758</u>	544,758,302

Operating assets-net book value

<u>2,804,785,436</u>	2,862,770,364
----------------------	---------------

Capital work in progress

257,853,842	219,480,016
-------------	-------------

Net book value

<u>3,062,639,278</u>	<u>3,082,250,380</u>
----------------------	----------------------

Un-audited	Audited
31 March	30 June
2018	2017

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

8 Short term investments

Investments at fair value through profit or loss - Mutual Funds

Held for trading	8.1	712,932,584	855,943,421
		712,932,584	855,943,421

8.1 These investments are 'held for trading'

Carrying value at 01 July		855,943,421	332,166,585
Acquisition during the period/year		-	1,072,379,518
Redemption during the period/year		(171,626,728)	(573,633,378)
Realized gain on sale of investment - during the period/year		1,973,951	19,983,118
Unrealized gain on re-measurement of investment - during the period/year		26,641,940	5,047,578
Carrying and fair value of short term investments at 31 March / 30 June	8.1.1	712,932,584	855,943,421

No. of units		Fair value	
Un-audited	Audited	Un-audited	Audited
31 March	30 June	31 March	30 June
2018	2017	2018	2017
.....Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

MCB Cash Management Optimizer Fund	2,790,038	4,033,778	291,653,578	405,466,136
MCB Pakistan Stock Market Fund	206,559	206,559	21,373,721	21,172,676
Faysal Money Market Fund	159,626	159,626	16,799,072	16,162,163
ABL Government Securities Fund	3,293,207	3,371,142	35,032,904	33,772,097
HBL Money Market Fund	2,042,627	2,042,627	216,071,943	207,874,880
HBL Cash Fund	1,248,377	1,543,804	130,549,442	155,121,600
Investment in Faysal MTS Fund	6,415	155,713	669,100	15,616,439
Faysal Bank Savings Growth Fund	7,425	7,425	782,824	757,430
			712,932,584	855,943,421

8.2 Changes in fair values of financial assets at fair value through profit or loss are recorded in profit and loss account. Realized gain of Rs. 1.97 million (31 March 2017: Rs. 3.97 million) has been recorded in the current period in "other income". These investments comprise of mutual funds (money market / income fund).

8.3 Realized gain on redemption of short term investments is earned under mark up arrangements.

9 Cash and bank balances

9.1 These include current account of Rs. 0.67 million (30 June 2017: Rs. 0.67 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 91.03 million (30 June 2017: Rs. 126.06 million) under mark up arrangements, which carry interest rates ranging from 3.7% - 6% (30 June 2017: 3.82% - 6%) per annum.

These also include deposit account of Rs. 0.15 million (30 June 2017: Rs. 1.42 million) under Shariah compliant arrangements, which carries profit rate of 2.40% (30 June 2017: 2.41% - 2.85%) per annum.

(Un-audited) nine months ended		(Un-audited) Quarter ended	
31 March	31 March	31 March	31 March
2018	2017	2018	2017

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

10 Revenue - net
Gross sales:

Local	4,056,037,999	3,890,494,940	1,397,647,039	1,127,541,354
Export	103,039,656	161,279,776	36,082,974	30,201,912
	4,159,077,655	4,051,774,716	1,433,730,013	1,157,743,266

Less:

Sales returns	(55,403,019)	(101,851,176)	(17,314,215)	(43,635,320)
Discounts and commission	(252,494,454)	(224,898,123)	(81,539,509)	(65,775,123)
Sales tax	(16,998,247)	(14,726,245)	(929,267)	(4,642,358)
	(324,895,720)	(341,475,544)	(99,782,991)	(114,052,801)
	3,834,181,935	3,710,299,172	1,333,947,022	1,043,690,465

10.1 This includes sale of both own manufactured and purchased products.

(Un-audited) nine months ended		(Un-audited) Quarter ended	
31 March	31 March	31 March	31 March
2018	2017	2018	2017

----- Rupees -----

11 Cost of sales

Raw and packing materials consumed 11.1	788,364,043	610,696,941	245,548,116	208,050,472
Other manufacturing expenses	556,358,631	514,334,711	202,201,555	174,756,468
	1,344,722,674	1,125,031,652	447,749,671	382,806,940

Work in process:

Opening	76,419,116	96,389,128	79,491,262	96,783,220
Closing	(58,592,043)	(86,336,685)	(58,592,043)	(86,336,685)
	17,827,073	10,052,443	20,899,219	10,446,535

Cost of goods manufactured

	1,362,549,747	1,135,084,095	468,648,890	393,253,475
--	----------------------	----------------------	--------------------	--------------------

Finished stock:

Opening	1,160,681,400	1,597,678,787	932,557,222	1,367,958,863
Purchases made during the period	931,714,837	738,235,309	329,119,736	210,808,522
Closing	(837,691,308)	(1,347,715,313)	(837,691,308)	(1,347,715,313)
	1,254,704,929	988,198,783	423,985,650	231,052,072
	2,617,254,676	2,123,282,878	892,634,540	624,305,547

11.1 Raw and packing materials consumed

Opening	472,681,955	357,353,488	398,979,870	449,478,950
Purchases made during the period	678,108,188	729,502,991	208,994,346	234,731,060
	1,150,790,143	1,086,856,479	607,974,216	684,210,010
Closing	(362,426,100)	(476,159,538)	(362,426,100)	(476,159,538)
	788,364,043	610,696,941	245,548,116	208,050,472

11.2 This is net off provision for slow moving stock in trade of Rs. 214.1 million (31 March 2017: Rs. Nil).

	(Un-audited) nine months ended	
	31 March 2018	31 March 2017
	-----Rupees-----	
12 Taxation		
For the year		
- Current tax	133,005,419	141,544,217
- Deferred tax	(6,332,538)	1,900,919
	126,672,881	143,445,136
Prior year adjustment	(32,315,819)	(20,000,000)
	94,357,062	123,445,136

Section 5A of the Income Tax Ordinance, 2001 imposes a tax on every public company other than a scheduled bank or modaraba, that derives profits for tax year 2017 and onwards and does not distribute at least forty percent of its after tax profits through cash or bonus shares within six months of the end of the said tax year.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 30 June 2018 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed consolidated interim financial information.

13 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) nine months ended	
	31 March 2018	31 March 2017
	----- Rupees -----	
Other related parties		
Contribution towards employees' provident fund	27,323,932	23,652,197
Remuneration including benefits and perquisites of key management personnel	120,994,374	126,314,448

14 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Dividend Payable	Short term borrowing	Accrued mark-up	Total
	----- Rupees -----			
As at 30 June 2017	80,854,747	24,888,862	1,646,851	107,390,460
Changes from financing cash flows				
Dividend paid	(119,310,457)	-	-	(119,310,457)
Financial charges paid	-	-	(9,426,929)	(9,426,929)
Total changes from financing cash flows	(119,310,457)	-	(9,426,929)	(128,737,386)
Other changes				
Change in borrowings	-	152,432,264	-	152,432,264
Dividend expense	120,747,364	-	-	120,747,364
Interest expense	-	-	9,813,448	9,813,448
Total liability related other changes	120,747,364	152,432,264	9,813,448	282,993,076
As at 31 March 2018	82,291,654	177,321,126	2,033,370	261,646,150

15 Financial risk management and financial instruments - fair value

15.1 The Group's financial risk management objective and policies are consistent with that disclosed in the annual consolidated financial statements of the Holding Company for the year ended 30 June 2017.

15.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount		Other financial liabilities	Total	Fair Value		
	Cash and cash equivalents	Loans and receivables			Level 1	Level 2	Level 3
31 March 2019							
Financial assets measured at fair value:							
Short term investments	-	712,932,584	-	712,932,584	-	-	-
Financial assets not measured at fair value:							
Long term deposits	-	11,053,325	-	11,053,325	-	-	-
Trade debts - considered good	-	905,782,959	-	905,782,959	-	-	-
Loans and advances - considered good	-	1,699,966	-	1,699,966	-	-	-
Short term deposits	-	219,067,196	-	219,067,196	-	-	-
Other receivables	-	81,896,771	-	81,896,771	-	-	-
Bank balances	205,863,057	-	205,863,057	-	-	-	-
	205,863,057	1,219,500,217	-	1,425,363,274	-	-	-
Financial liabilities measured at fair value:							
Trade and other payables	-	-	-	-	-	-	-
Short term borrowing	-	-	595,402,783	595,402,783	-	-	-
Accrued mark-up	-	-	177,321,126	177,321,126	-	-	-
	-	-	2,053,370	2,053,370	-	-	-
	-	-	774,757,279	774,757,279	-	-	-
30 June 2017							
Financial assets measured at fair value:							
Short term investments	-	855,943,421	-	855,943,421	-	-	-
Financial assets not measured at fair value:							
Long term deposits	-	11,053,325	-	11,053,325	-	-	-
Trade debts - considered good	-	429,773,583	-	429,773,583	-	-	-
Loans and advances - considered good	-	1,612,974	-	1,612,974	-	-	-
Short term deposits	-	169,311,059	-	169,311,059	-	-	-
Other receivables	-	256,700	-	256,700	-	-	-
Bank balances	234,056,888	-	234,056,888	-	-	-	-
	234,056,888	612,007,641	-	846,064,529	-	-	-
Financial liabilities measured at fair value:							
Trade and other payables	-	-	645,368,682	645,368,682	-	-	-
Short term borrowing	-	-	24,888,862	24,888,862	-	-	-
Accrued mark-up	-	-	1,646,851	1,646,851	-	-	-
	-	-	671,904,395	671,904,395	-	-	-

16 Subsequent event and date of authorization for issue

The Board of Directors of the Company in its meeting held on 21 April, 2018 has authorized to issue these condensed interim consolidated financial statements and has approved interim cash dividend of Rs. Nil per share (31 March 2017: Rs. Nil per share) amounting to Rs. Nil (31 March 2017: Rs. Nil) for the year ending 30 June 2018 in the same meeting.

17 Corresponding figures

'This condensed interim financial information is presented in Pakistan Rupee which is the Group's functional currency and the figures have rounded off to the nearest rupee.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

PEOPLE
TRUST
US

MORE THAN SIX DECADES
OF DEDICATED SERVICE
TO HUMANITY IN PAKISTAN
AND AROUND THE WORLD
IN PHARMACEUTICALS



FEROZSONS
LABORATORIES LIMITED

Registered Office: 197-A, The Mall, Rawalpindi, 46000 (Pakistan),
Phones: +92-51-4252155-57 Fax: +92-51-4252153
email: cs@ferozsons-labs.com www.ferozsons-labs.com