



FEROZSONS
LABORATORIES LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS
ENDED 31 MARCH 2020**

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30 YEARS
OF TRUST & DEVOTION



**PUTTING
PATIENTS
FIRST**

CORPORATE INFORMATION

Board of Directors

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

Chairman
Member
Member
Member

Investment Committee

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

Chairman
Member
Member

HR & Remuneration Committee

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

Chairman
Member
Member
Member

Company Secretary

Syed Ghausuddin Saif

Legal Advisors

Khan & Piracha

Chief Financial Officer

Mr. Muhammad Farhan Rafiq

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, Nowshera (KPK), Pakistan
Telephone: +92-923-614295, 610159
Fax: +92-923-611302

Internal Auditors

EY Ford Rhodes
Chartered Accountants

Head Office

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

Bankers

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

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 2020

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 2020. 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-20 | 9 Months 31-Mar-19 | 3 Months 31-Mar-20 | 3 Months 31-Mar-19 | 9 Months 31-Mar-20 | 9 Months 31-Mar-19 | 3 Months 31-Mar-20 | 3 Months 31-Mar-19 |
| | (Rupees in thousand) | | | | | | | |
| Sales (net) | 4,093,225 | 3,597,114 | 1,570,070 | 1,246,257 | 4,636,075 | 4,065,001 | 1,779,224 | 1,405,161 |
| Gross profit | 1,728,538 | 1,438,290 | 614,380 | 448,007 | 1,742,264 | 1,450,011 | 624,852 | 466,668 |
| Profit before tax | 409,400 | 235,357 | 167,360 | 34,899 | 373,194 | 191,672 | 157,351 | 39,125 |
| Profit after tax | 289,115 | 154,701 | 110,986 | 13,132 | 250,552 | 115,078 | 100,857 | 16,474 |
| Earnings per share | 9.58 | 5.12 | 3.68 | 0.43 | 8.54 | 4.08 | 3.41 | 0.52 |

Standalone net sales of your Company grew by 14% for the nine months and 26% for the 3rd quarter. At the group level, consolidated net sales increased by 14% and 27% respectively over the corresponding period last year.

Our in-market generic sales increased by 17% during the nine months, whereas sales to institutions of generic and imported products marginally increased by 3% over the corresponding period last year.

The gross profit margin stands at 42% for the nine months under review, compared to 40% in the same period of last year. In absolute terms, the gross profit grew by 20%. The improvement in gross profit margin is primarily due to change in the sales mix.

Selling and distribution expenses increased by 14% over the corresponding period last year. The increase primarily represents an increase in field force expenses along with inflationary impact during the current period under review.

Other expenses decreased by 27% primarily due to lesser exchange loss in the current period. Other income grew by 27% primarily due to a higher share of profit from associate and higher income from investments due to increased markup rates in the current period.

Net profit after tax for the Company stands at Rs. 289.12 million for the nine months and Rs. 110.99 million for the 3rd quarter under review. The increase in net profit after tax for the 3rd quarter over the corresponding period last year includes the proportionate accrual of annual sales conference expenses during the current period, compared to the booking of expenses at actual in 3rd quarter last year. The change in accounting policy has been made in light of better presentation of financial information and consistency of accounting practices with the industry.

Accordingly, earnings per share stood at Rs. 9.58 per share for the nine months, compared to Rs. 5.12 per share over the corresponding period last year.

BF Biosciences Limited Operational Status

The Company's subsidiary BF Biosciences Limited closed its net sales at Rs. 397.46 million for the nine months and Rs. 168.28 million for the 3rd quarter under review, depicting an increase of 15% over the corresponding period last year. Net loss after tax stands at Rs. 22.19 million as compared to Rs. 25.30 million last period.

As appraised in the last directors' report, production and sales of Omega (omeprazole) intravenous injections have commenced following DRAP approval for the product, which, coupled with additional new products including Eritrogen (erythropoietin) in pre-filled syringes, will Inshallah help the Company improve its revenue and bottom-line in the quarters to follow. Our other applications are still pending with the Drug Regulatory Authority of Pakistan for approval. Based on the current prevailing COVID-19 situation, further delays in registrations by the competent authority cannot be ruled out.

Future Outlook

The COVID-19 outbreak has impacted the pharmaceutical industry in several ways, including disruptions in our global supply chain. On the demand side, closure of hospital outpatient departments and private clinics, coupled with reduced footfall at pharmacies resulting from the lockdown, are likely to cause a decline in industry sales in coming months.

The Government of Pakistan has taken various steps to support the economy by providing relief packages including a substantial reduction in the policy rate and reduced rate loan scheme for entities to pay salaries and wages of employees.

Another challenge being faced by your Company is in its receivables from public sector Government Health Institutions. This has been exacerbated by the fact that provincial Governments have had to divert healthcare budgets towards relief packages for the COVID-19 affected. This has impacted your Company's working capital. Further, the current volatility in exchange rates will also affect the bottom line of your Company going forward. In order to support the resultant distortions in the working capital, the government should initiate a relief package related to Companies who have supplied in good faith to government institutions and are awaiting overdue payments from the Government.

The management of your Company is fully committed to supporting the healthcare professionals bravely engaged in the treatment of COVID-19. Since the advent of the outbreak, your Company has partnered with non-profit organizations to donate over 10,000 Personal Protective Equipment (PPEs), respirator masks, and protective shields to doctors and staff at government hospitals across the country. We have also collaborated with medical societies in Pakistan to conduct regular online zoom conferences on Covid-19 with the leading centres worldwide involved in treating the epidemic in the UK and the United States.

Acknowledgments

We would like to 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

زیر جائزہ نوامی اور سہ ماہی کے دوران کمپنی کی ذیلی کمپنی BF بائیو سائنسز لمیٹڈ کی خالص فروخت بالترتیب 397.46 ملین روپے اور 168.28 ملین روپے رہی، جس میں پچھلے سال کے اسی عرصہ کے مقابلے میں 15% اضافہ ہوا۔ بعد از ٹیکس خسارہ (NLAT) 22.19 ملین روپے رہا جو کہ پچھلے سال اس عرصہ میں 25.30 ملین روپے تھا۔

جیسا کہ پچھلی ڈائریکٹر رپورٹ میں بتایا گیا تھا، DRAP سے منظوری ملنے کے بعد رگ میں لگنے والے اومیگا (اومیپرازول) [Omega (Omeprazole)] ٹیکوں کی پیداوار اور فروخت شروع ہو چکی ہے؛ اومیگا (Omega) کے ساتھ دیگر نئی مصنوعات، جیسے کہ پہلے سے بھری ہوئی سرخج میں اریٹروجن (اریتھروپوئیٹین) (Eritrogen (Erythropoietin)) ٹیکہ، کی فروخت سے آنے والی سہ ماہیوں میں کمپنی کی فروخت اور منافع میں انشاء اللہ بہتری آئے گی۔ ہماری دیگر درخواستوں کی منظوری ابھی بھی ڈرگ ریگولیٹری اتھارٹی آف پاکستان کے پاس زیر التوا ہے۔ موجودہ COVID-19 صورتحال کی وجہ سے درخواستوں کی منظوری میں مزید تاخیر خارج از امکان نہیں ہے۔

مستقبل کے امکانات کا جائزہ

COVID-19 وبا پھیلنے سے فارماسیوٹیکل انڈسٹری کئی طرح سے متاثر ہوئی ہے؛ جس میں مال کے عالمی سلسلہ فراہمی (Global Supply Chain) میں رکاوٹیں بھی شامل ہیں۔ اسکے علاوہ، لاک ڈاؤن کی وجہ سے ہسپتالوں کے شعبہ آؤٹ ڈور اور پرائیویٹ کلینک بند ہونے اور میڈیکل سٹورز میں گاہکوں کی تعداد کم ہونے کی وجہ سے آنے والے مہینوں میں انڈسٹری کی فروخت میں کمی کا اندیشہ ہے۔

پاکستانی گورنمنٹ نے معیشت کی بحالی کیلئے کئی اقدامات اٹھائے ہیں جن میں امدادی پیکیج کی فراہمی، شرح سود میں واضح کمی اور ملازمین کو تنخواہ اور اجرت دینے کیلئے اداروں کو کم شرح پر قرضہ دینے کی اسکیم شامل ہیں۔

صحت کے سرکاری اداروں کی جانب سے واجب الادا رقوم کی وصولی آپ کی کمپنی کیلئے ایک اور چیلنج ہے۔ یہ وصولی اب مزید مشکل ہو گئی ہے کیونکہ صوبائی حکومتوں کو صحت عامہ کے بجٹ کو COVID-19 سے متاثرہ لوگوں کو امدادی پیکیج فراہم کرنے کیلئے استعمال میں لانا پڑا ہے۔ اس سے آپ کی کمپنی کا گردش سرمایہ (Working Capital) بھی متاثر ہوا ہے۔ اسکے علاوہ، شرح مبادلہ میں حالیہ اتار چڑھاؤ بھی آپ کی کمپنی کے منافع کو آئندہ متاثر کرے گا۔ حکومت کو چاہئے کہ گردش سرمایہ میں کمی سے نمٹنے کیلئے ایسی کمپنیوں کیلئے امدادی پیکیج کا اعلان کرے جنہوں نے نیک نیتی سے حکومتی اداروں کو ادویات اور مصنوعات فراہم کی تھیں اور اب حکومت کی طرف سے واجب الادا رقوم کی وصولی کی منتظر ہیں۔

آپ کی کمپنی کی انتظامیہ COVID-19 کے علاج میں مصروف عمل بہادر پیشہ ور افراد کی مدد کیلئے پرعزم ہے۔ وبا کا پھیلاؤ شروع ہونے سے لے کر اب تک، آپ کی کمپنی نے غیر منافع بخش تنظیموں کی شراکت داری سے ملک بھر میں حکومتی ہسپتالوں کے ڈاکٹروں اور عملہ میں 10,000 سے زیادہ ذاتی حفاظت کی کٹس (PPEs)، سانس کے ماسک، اور حفاظتی شیلڈز تقسیم کی ہیں۔ ہم پاکستان کی طبی سوسائٹیز کے ساتھ مل کر وبا کے علاج میں مصروف عمل امریکا اور برطانیہ میں دنیا کے بڑے مراکز کے ساتھ COVID-19 پر آن لائن زوم کانفرنسز کا باقاعدگی سے اہتمام بھی کر رہے ہیں۔

اعتراف

ہم اپنے خریداروں، وینڈرز، ڈسٹری بیوٹرز، کاروباری شراکت داروں اور بینکرز 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۔

بورڈ آف ڈائریکٹرز کی جانب سے

مسز اختر خالد وحید

چیئر پرسن

مسٹر عثمان خالد وحید

چیف ایگزیکٹو آفیسر

31 مارچ 2020 پر ختم ہونے والی نو ماہی کے مختصر عبوری مالیاتی نتائج پر ڈائریکٹر کی جائزہ رپورٹ

ہم انتہائی مسرت سے 31 مارچ 2020 پر ختم ہونے والی نو ماہی کیلئے کمپنی کے غیر پڑتا ہوا شدہ انفرادی اور انضمام کردہ مختصر عبوری مالیاتی نتائج پیش کرتے ہیں۔ انضمام کردہ مختصر عبوری مالیاتی نتائج میں فارمیشیا ونیچر (98 فیصد ملکیت) اور ذیلی کمپنی BF بائیو سائنسز لمیٹڈ (80 فیصد ملکیت) کے مالیاتی نتائج ضم کئے گئے ہیں۔

آپریٹنگ اور مالیاتی کارکردگی

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

| انضمام کردہ | | | | انفرادی | | | |
|-------------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|
| 3 مہینے | 3 مہینے | 9 مہینے | 9 مہینے | 3 مہینے | 3 مہینے | 9 مہینے | 9 مہینے |
| 2019 مارچ 31 | 2020 مارچ 31 | 2019 مارچ 31 | 2020 مارچ 31 | 2019 مارچ 31 | 2020 مارچ 31 | 2019 مارچ 31 | 2020 مارچ 31 |
| (ہزار روپے) | | | | | | | |
| 1,405,161 | 1,779,224 | 4,065,001 | 4,636,075 | 1,246,257 | 1,570,070 | 3,597,114 | 4,093,225 |
| 466,668 | 624,852 | 1,450,011 | 1,742,264 | 448,007 | 614,380 | 1,438,290 | 1,728,538 |
| 39,125 | 157,351 | 191,672 | 373,194 | 34,899 | 167,360 | 235,357 | 409,400 |
| 16,474 | 100,857 | 115,078 | 250,552 | 13,132 | 110,986 | 154,701 | 289,115 |
| 0.52 | 3.41 | 4.08 | 8.54 | 0.43 | 3.68 | 5.12 | 9.58 |
| خالص فروخت | | | | خالص فروخت | | | |
| گراس منافع | | | | گراس منافع | | | |
| قبل از ٹیکس منافع | | | | قبل از ٹیکس منافع | | | |
| بعد از ٹیکس منافع | | | | بعد از ٹیکس منافع | | | |
| فی حصص آمدن | | | | فی حصص آمدن | | | |

کمپنی کی انفرادی فروخت (خالص) میں اس نو ماہی کے دوران گزشتہ سال کی اسی نو ماہی کے مقابلے میں 14% اضافہ ہوا جبکہ تیسری سہ ماہی کے دوران گزشتہ سال کی تیسری سہ ماہی کے مقابلے میں 26% اضافہ ہوا۔ گروپ کی فروخت (خالص) میں اس نو ماہی کے دوران گزشتہ سال کی اسی نو ماہی کے مقابلے میں 14% اضافہ ہوا جبکہ تیسری سہ ماہی کے دوران گزشتہ سال کی تیسری سہ ماہی کے مقابلے میں 27% اضافہ دیکھنے میں آیا۔

پچھلے سال کی اسی نو ماہی کے مقابلے میں اس نو ماہی کے دوران مارکیٹ میں ہماری جنیئر مارکہ مصنوعات کی فروخت میں 17% اضافہ ہوا، جبکہ اداروں کو جنیئر مارکہ اور درآمد کردہ مصنوعات کی فروخت میں 3% معمولی اضافہ ہوا۔

زیر جائزہ نو ماہی کے دوران آپ کی کمپنی کے گراس منافع (GP) کی گنجائش 42% رہی جو کہ پچھلے سال کی اسی نو ماہی کے دوران 40% تھی۔ حقیقی لحاظ سے گراس منافع (GP) کی گنجائش میں 20% اضافہ ہوا۔ اس اضافہ کی بنیادی وجہ مصنوعات کے تناسب فروخت میں تبدیلی واقع ہونا ہے۔

فروخت اور ڈسٹری بیوٹن کے اخراجات میں زیر جائزہ عرصہ کے دوران پچھلے سال کی اسی عرصہ کے مقابلے میں 14% اضافہ ہوا ہے۔ مہنگائی میں اضافے اور افرادی قوت کے اخراجات میں اضافے کی وجہ سے زیر جائزہ عرصہ کے دوران ان اخراجات میں اضافہ ہوا۔

اس عرصہ کے دوران دیگر اخراجات میں 27% کمی ہوئی جس کی وجہ اس عرصہ کے دوران مبادلہ کے نقصان میں کمی واقع ہونا ہے۔ اس عرصہ میں ایسوسی ایٹس کے منافع کے حصہ میں اضافہ کے سبب اور شرح سود میں اضافے کی وجہ سے سرمایہ کاری سے زیادہ منافع حاصل ہونے کے سبب دیگر آمدن میں 27% اضافہ ہوا۔

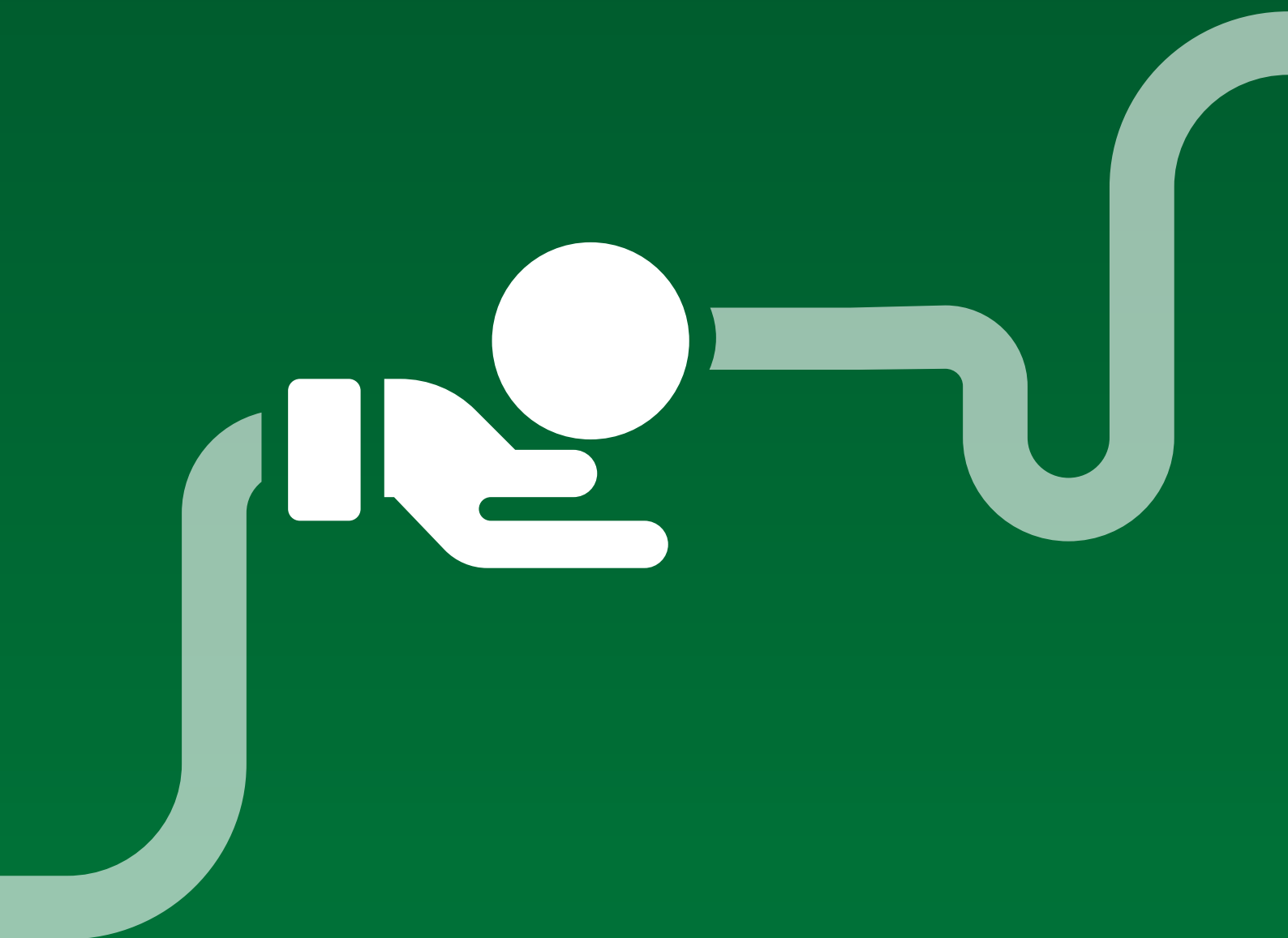
زیر جائزہ نو ماہی اور سہ ماہی کے دوران کمپنی کا بعد از ٹیکس منافع بالترتیب 289.12 ملین روپے اور 110.99 ملین روپے رہا۔ پچھلے سال کی تیسری سہ ماہی کے مقابلے میں اس سال کی تیسری سہ ماہی کے بعد از ٹیکس منافع میں اضافہ کی وجہ یہ بھی ہے کہ اس سہ ماہی کے دوران سالانہ سیلز کانفرنس کے اخراجات کا تناسب حصہ ریکارڈ کیا گیا ہے جبکہ پچھلے سال یہ اخراجات مکمل طور پر تیسری سہ ماہی کے دوران خرچ کرتے وقت ریکارڈ کئے گئے تھے۔ مالی معلومات کو بہتر طور پر پیش کرنے کیلئے اور اکاؤنٹنگ معیار کو انڈسٹری سے ہم آہنگ کرنے کیلئے اکاؤنٹنگ پالیسی میں یہ تبدیلی لائی گئی ہے۔

چنانچہ اس نو ماہی میں فی حصص آمدن (EPS) 9.58 روپے فی حصص رہی، جبکہ پچھلے سال کی اسی نو ماہی میں فی حصص آمدن (EPS) 5.12 روپے فی حصص تھی۔

OUR FINANCIAL STATEMENTS



UNCONSOLIDATED FINANCIAL STATEMENTS



Ferozsons Laboratories Limited

Condensed Interim Unconsolidated Statement of Financial Position

As at 31 March 2020

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
| <u>Share capital and reserves</u> | | | | | | |
| Authorized share capital | | | | | | |
| 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rs. 10 each | | 500,000,000 | 500,000,000 | Property, plant and equipment | | 5 |
| | | 301,868,410 | 301,868,410 | Intangibles | | |
| | | 321,843 | 321,843 | Long term investments - related parties | | 6 |
| | | 4,068,415,384 | 3,879,504,557 | Long term deposits | | |
| Issued, subscribed and paid up capital | | 301,868,410 | 301,868,410 | | | |
| Capital reserve | | 321,843 | 321,843 | | | |
| Accumulated profit | | 4,068,415,384 | 3,879,504,557 | | | |
| Revaluation surplus on property, plant and equipment | | 735,294,004 | 755,732,295 | | | |
| | | 5,105,899,641 | 4,937,427,105 | | | |
| <u>Non current liabilities</u> | | | | | | |
| Deferred taxation | | 177,923,480 | 178,928,506 | | | |
| <u>Current liabilities</u> | | | | | | |
| Trade and other payables | | 1,257,351,438 | 1,006,902,101 | | | |
| Short term borrowings - secured | | 245,655,773 | - | | | 3 |
| Unclaimed dividend | | 76,964,852 | 75,156,815 | | | |
| Accrued mark-up | | 10,756,104 | 4,432,350 | | | |
| | | 1,590,728,167 | 1,086,491,266 | | | |
| <u>Contingencies and commitments</u> | | | | | | |
| | | 6,874,551,288 | 6,202,846,877 | | | 4 |

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
| <u>Share capital and reserves</u> | | | | | | |
| Authorized share capital | | | | | | |
| 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rs. 10 each | | 500,000,000 | 500,000,000 | Property, plant and equipment | | 5 |
| | | 301,868,410 | 301,868,410 | Intangibles | | |
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| | | 1,590,728,167 | 1,086,491,266 | | | |
| <u>Contingencies and commitments</u> | | | | | | |
| | | 6,874,551,288 | 6,202,846,877 | | | 4 |

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
| <u>Share capital and reserves</u> | | | | | | |
| Authorized share capital | | | | | | |
| 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rs. 10 each | | 500,000,000 | 500,000,000 | Property, plant and equipment | | 5 |
| | | 301,868,410 | 301,868,410 | Intangibles | | |
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| | | 5,105,899,641 | 4,937,427,105 | | | |
| <u>Non current liabilities</u> | | | | | | |
| Deferred taxation | | 177,923,480 | 178,928,506 | | | |
| <u>Current liabilities</u> | | | | | | |
| Trade and other payables | | 1,257,351,438 | 1,006,902,101 | | | |
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| Unclaimed dividend | | 76,964,852 | 75,156,815 | | | |
| Accrued mark-up | | 10,756,104 | 4,432,350 | | | |
| | | 1,590,728,167 | 1,086,491,266 | | | |
| <u>Contingencies and commitments</u> | | | | | | |
| | | 6,874,551,288 | 6,202,846,877 | | | 4 |

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
| <u>Share capital and reserves</u> | | | | | | |
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| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
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| | | 6,874,551,288 | 6,202,846,877 | | | 4 |

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
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| | | 5,105,899,641 | 4,937,427,105 | | | |
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| Short term borrowings - secured | | 245,655,773 | - | | | 3 |
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| Accrued mark-up | | 10,756,104 | 4,432,350 | | | |
| | | 1,590,728,167 | 1,086,491,266 | | | |
| <u>Contingencies and commitments</u> | | | | | | |
| | | 6,874,551,288 | 6,202,846,877 | | | 4 |

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
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| Short term borrowings - secured | | 245,655,773 | - | | | 3 |
| Unclaimed dividend | | 76,964,852 | 75,156,815 | | | |
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| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
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| Trade and other payables | | 1,257,351,438 | 1,006,902,101 | | | |
| Short term borrowings - secured | | 245,655,773 | - | | | 3 |
| Unclaimed dividend | | 76,964,852 | 75,156,815 | | | |
| Accrued mark-up | | 10,756,104 | 4,432,350 | | | |
| | | 1,590,728,167 | 1,086,491,266 | | | |
| <u>Contingencies and commitments</u> | | | | | | |
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| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
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| Authorized share capital | | | | | | |
| 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rs. 10 each | | 500,000,000 | 500,000,000 | Property, plant and equipment | | 5 |
| | | 301,868,410 | 301,868,410 | Intangibles | | |
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| | | 4,068,415,384 | 3,879,504,557 | Long term deposits | | |
| Issued, subscribed and paid up capital | | 301,868,410 | 301,868,410 | | | |
| Capital reserve | | 321,843 | 321,843 | | | |
| Accumulated profit | | 4,068,415,384 | 3,879,504,557 | | | |
| Revaluation surplus on property, plant and equipment | | 735,294,004 | 755,732,295 | | | |
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| <u>Non current liabilities</u> | | | | | | |
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| <u>Current liabilities</u> | | | | | | |
| Trade and other payables | | 1,257,351,438 | 1,006,902,101 | | | |
| Short term borrowings - secured | | 245,655,773 | - | | | 3 |
| Unclaimed dividend | | 76,964,852 | 75,156,815 | | | |
| Accrued mark-up | | 10,756,104 | 4,432,350 | | | |
| | | 1,590,728,167 | 1,086,491,266 | | | |
| <u>Contingencies and commitments</u> | | | | | | |
| | | 6,874,551,288 | 6,202,846,877 | | | 4 |

| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
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| | | 5,105,899,641 | 4,937,427,105 | | | |
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| <u>Current liabilities</u> | | | | | | |
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| <u>Contingencies and commitments</u> | | | | | | |
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| EQUITY AND LIABILITIES | | | | ASSETS | | Note |
|--|--|----------------------------|---------------|---|--|------|
| Un-audited 31 March 2020 | | Audited 30 June 2019 | | Rupees | | |
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| | | 301,868,410 | 301,868,410 | Intangibles | | |
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| Revaluation surplus on property, plant and equipment | | 735,294,004 | 755,732,295 | | | |
| | | | | | | |

The annexed notes from 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)

For the nine months ended 31 March 2020

| | Note | Nine months ended | | Quarter ended | |
|--|------|----------------------|----------------------|--------------------|--------------------|
| | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | | ----- Rupees ----- | ----- Rupees ----- | ----- Rupees ----- | ----- Rupees ----- |
| Sales - net | 9 | 4,093,224,655 | 3,597,114,195 | 1,570,069,503 | 1,246,257,137 |
| Cost of sales | 10 | (2,364,686,410) | (2,158,823,749) | (955,689,508) | (798,250,081) |
| Gross profit | | 1,728,538,245 | 1,438,290,446 | 614,379,995 | 448,007,056 |
| Administrative expenses | | (273,760,554) | (254,753,550) | (88,461,283) | (80,936,531) |
| Selling and distribution expenses | | (1,055,784,026) | (929,855,533) | (332,779,022) | (336,412,599) |
| Other expenses | | (48,003,434) | (65,619,640) | (27,920,651) | (6,249,728) |
| Other income | | 81,967,460 | 64,718,795 | 13,762,165 | 17,041,691 |
| Profit from operations | | 432,957,691 | 252,780,518 | 178,981,204 | 41,449,889 |
| Finance cost | | (23,557,839) | (17,423,336) | (11,620,802) | (6,550,742) |
| Profit before taxation | | 409,399,852 | 235,357,182 | 167,360,402 | 34,899,147 |
| Taxation | | (120,285,222) | (80,656,268) | (56,373,963) | (21,767,594) |
| Profit after taxation | | 289,114,630 | 154,700,914 | 110,986,439 | 13,131,553 |
| Earnings per share - basic and diluted | | 9.58 | 5.12 | 3.68 | 0.43 |

The annexed notes from 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2020

| | Nine months ended | | Quarter ended | |
|---|--------------------|------------------|--------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | ----- Rupees ----- | | ----- Rupees ----- | |
| Profit after taxation | 289,114,630 | 154,700,914 | 110,986,439 | 13,131,553 |
| <u>Items that will not be reclassified to profit or loss</u> | | | | |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 289,114,630 | 154,700,914 | 110,986,439 | 13,131,553 |

The annexed notes from 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)
For the nine months ended 31 March 2020

| | Capital reserve | | Revenue reserve | | Total |
|--|--------------------|-----------------|--|--------------------|---------------|
| | Share capital | Capital reserve | Revaluation surplus on property, plant and equipment | Accumulated profit | |
| | ----- Rupees ----- | | | | |
| Balance as at 01 July 2018 | 301,868,410 | 321,843 | 789,650,185 | 3,721,832,574 | 4,813,673,012 |
| Total comprehensive income for the period | - | - | - | 154,700,914 | 154,700,914 |
| <u>Surplus transferred to accumulated profit</u> | | | | | |
| - On account of incremental depreciation charged during the period - net of tax | - | - | (20,536,179) | 20,536,179 | - |
| <u>Transactions with owners of the Company, recognized directly in Equity - Distributions</u> | | | | | |
| - Final dividend for the year ended 30 June 2018 at Rs. 2 per share | - | - | - | (60,373,682) | (60,373,682) |
| - Interim dividend for the year ended 30 June 2019 at Rs. 2 per share | - | - | - | (60,373,682) | (60,373,682) |
| | - | - | - | (120,747,364) | (120,747,364) |
| Balance as at 31 March 2019 - unaudited | 301,868,410 | 321,843 | 769,114,006 | 3,776,322,303 | 4,847,626,562 |
| Balance as at 01 July 2019 | 301,868,410 | 321,843 | 755,732,295 | 3,879,504,557 | 4,937,427,105 |
| Total comprehensive income for the period | - | - | - | 289,114,630 | 289,114,630 |
| <u>Surplus transferred to accumulated profit</u> | | | | | |
| - On account of incremental depreciation charged during the period - net of tax | - | - | (20,543,561) | 20,543,561 | - |
| Effect of change in tax rate on account of surplus on property, plant and equipment | - | - | 105,270 | - | 105,270 |
| <u>Transactions with owners of the Company, recognized directly in Equity - Distributions</u> | | | | | |
| - Final dividend for the year ended 30 June 2019 at Rs. 4 per share | - | - | - | (120,747,364) | (120,747,364) |
| Balance as at 31 March 2020 - unaudited | 301,868,410 | 321,843 | 735,294,004 | 4,068,415,384 | 5,105,899,641 |

The annexed notes from 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)
For the nine months ended 31 March 2020

Cash flow from operating activities

Profit before taxation

Adjustments for non-cash and other items:

Depreciation on property, plant and equipment

Amortisation of intangibles

Trade debts directly written off

Gain on disposal of property, plant and equipment

Finance cost

Dividend income

Profit on bank deposits

(Gain) / loss on re-measurement of short term investments to fair value

(Gain) / loss on sale of short term investments

Share in profit of Farmacia

Workers' Profit Participation Fund

Central Research Fund

Workers' Welfare Fund

Cash generated from operations before working capital changes

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools

Stock in trade

Trade debts - considered good

Loans and advances - considered good

Deposits and prepayments

Other receivables

Increase in current liabilities

Trade and other payables

Cash generated from / (used in) operations

Taxes paid

Central Research Fund paid

Long term deposits - net

Net cash used in operating activities

Cash flow from investing activities

Acquisition of property, plant and equipment

Proceeds from sale of property, plant and equipment

Dividend income

Profit on bank deposits received

Short term investments - net

Net cash used in investing activities

Cash flow from financing activities

Finance cost paid

Dividend paid

Net cash used in financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

Cash and cash equivalents comprise of the following:

Cash and bank balances

Running finance

| Nine months ended | |
|--------------------|------------------|
| 31 March 2020 | 31 March 2019 |
| ----- Rupees ----- | |
| 409,399,852 | 235,357,182 |
| 240,970,119 | 211,883,154 |
| 435,195 | 1,103,560 |
| - | 41,697,882 |
| (22,144,947) | (24,642,129) |
| 23,557,839 | 17,423,336 |
| (10,209,134) | (24,260,139) |
| (2,232,559) | (878,449) |
| (24,484,384) | (1,713,229) |
| (949,705) | 1,376,020 |
| (20,068,326) | (11,986,772) |
| 21,908,585 | 12,807,707 |
| 4,425,977 | 2,587,416 |
| 6,863,262 | 6,613,239 |
| 218,071,922 | 232,011,596 |
| 627,471,774 | 467,368,778 |
| (9,263,981) | 23,508,396 |
| (370,318,366) | (23,494,041) |
| (234,392,503) | (211,180,062) |
| (52,989,512) | (40,115,473) |
| (16,273,991) | 14,185,283 |
| (2,970,556) | (20,331,932) |
| (686,208,909) | (257,427,829) |
| 230,611,226 | (41,716,336) |
| 171,874,091 | 168,224,613 |
| (189,921,273) | (151,732,226) |
| (4,487,427) | (2,283,549) |
| (2,701,000) | (20,000) |
| (25,235,609) | 14,188,838 |
| (356,710,181) | (342,365,387) |
| 33,255,899 | 38,764,601 |
| 10,209,134 | 24,260,139 |
| 2,232,559 | 878,449 |
| 123,863,790 | 182,008,035 |
| (187,148,799) | (96,454,163) |
| (17,234,085) | (12,783,734) |
| (118,939,327) | (125,879,484) |
| (136,173,412) | (138,663,218) |
| (348,557,820) | (220,928,543) |
| 183,447,782 | 100,326,927 |
| (165,110,038) | (120,601,616) |
| 80,545,735 | 73,701,925 |
| (245,655,773) | (194,303,541) |
| (165,110,038) | (120,601,616) |

The annexed notes from 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the nine months ended 31 March 2020

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 Pakistan Stock Exchange and is primarily engaged in the imports, manufacture and sale of pharmaceutical products and medical devices. Its registered office is situated at 197-A, The Mall, Rawalpindi and the manufacturing facility is located at Amangarh, Nowshera, Khyber Pakhtun Khwa.

2 Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of accounting

2.2.1 These condensed interim unconsolidated financial statements comprises the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2020 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

2.2.2 These condensed interim unconsolidated financial statements 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 2019. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.2.3 Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2019, whereas comparative unconsolidated profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the three months and nine months period ended 31 March 2019.

2.2.4 These condensed interim unconsolidated financial statements are 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.

2.3 Judgements and estimates

In preparing these interim unconsolidated financial statements, 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 unconsolidated financial statements as at and for the year ended 30 June 2019.

2.4 Statement of consistency in accounting policies

2.4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2019 except for the adoption of new standards effective as of 01 July 2019 as stated below:

2.4.2 Change in accounting policy

The Company has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from the annual periods beginning on or after 01 January 2019. There are other new standards which are effective from 01 July 2019 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the change from previous accounting policy is set out below:

IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Company has elected to apply practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 01 July 2019.

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Company presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Company presents non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

Significant accounting policies

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement.

The Company has elected not to recognize right of use assets and lease liabilities for leases of its warehouses that are of low value or with less than 12 months of lease term. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- did not recognize right of use assets and liabilities for leases of low value items.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact on financial statements

The Company has applied IFRS 16 using the modified retrospective approach. However none of the leases prior to 01 July 2019 have been considered as significant for purpose of application of IFRS 16 and accordingly the application of IFRS 16 has no impact on the opening retained earnings.

- 2.4.3** Other than those disclosed above in note 2.4.2, there were certain other new 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.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Amendments and interpretations of approved accounting standards

- | | |
|--|-----------------|
| - IFRS 14 Regulatory Deferral Accounts | 01 January 2020 |
| - Amendment to IFRS 3 - Business Combinations – Definition of a Business | 01 January 2020 |

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors 01 January 2020
- Revised Conceptual Framework for Financial Reporting. Tool for the IASB to develop standards and to assist the IFRS Interpretations. 01 January 2020
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 01 January 2020

3 Short term borrowings - secured

There were no major changes in any of the facilities during the period. All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual financial statements of the Company for the year ended 30 June 2019.

4 Contingencies and commitments

4.1 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 2019.

4.2 Commitments

4.2.1 Letter of credits

4.2.1.1 *With conventional financial institutions*

Out of the aggregate facility of Rs. 1,050 million (30 June 2019: Rs. 1,050 million) for opening letters of credit, the amount utilized as at 31 March 2020 for capital expenditure was Rs. 23.80 million (30 June 2019: Rs. 131.27 million) and for other than capital expenditure was Rs. 371.66 million (30 June 2019: Rs. 77.38 million). Out of these facilities, Rs. 750 million can interchangeably be utilized as running finance. These facilities are secured by joint pari passu charge over all present and future current assets of the Company and lien on Company's short term investments (money market/cash fund).

4.2.1.2 *With shariah compliant financial institutions*

The Company has facility i.e. letters of credit of Rs. 275 million (30 June 2019: Rs. 275 million) including interchangeable limit of running musharakah of Rs. 200 million (30 June 2019: Rs. 200 million) available from Islamic bank. The amount utilized as at 31 March 2020 for capital expenditure was Rs. Nil million (30 June 2019: Rs. 2.82 million) and for other than capital expenditure was Rs. 134.81 million (30 June 2019: Rs. 100.52 million). Lien is also marked over import documents.

4.2.2 Guarantees issued by banks on behalf of the Company

4.2.2.1 *Under Mark up arrangements*

Out of the aggregate facility of Rs. 500 million (30 June 2019: Rs. 500 million) for letter of guarantees (which is the sub limit of running finance and letter of credits), the amount utilized as at 31 March 2020 was Rs. 61.07 million (30 June 2019: Rs. 51.40 million).

4.2.2.2 Under Shariah compliant arrangements

The Company has facility i.e. letter of guarantee of Rs. 25 million (30 June 2019: Rs. 25 million) available from Islamic bank, the amount utilized at 31 March 2020 was Rs. 6.45 million (30 June 2019: Rs. 6.45 million).

| | | Un-audited 31 March 2020 | Audited 30 June 2019 |
|------------|--|--------------------------------|----------------------------|
| | | -----Rupees----- | |
| 5 | Property, plant and equipment | | |
| | <i>Note</i> | | |
| | | | |
| | Operating fixed assets | 2,739,724,756 | 2,716,578,574 |
| | Capital work-in-progress | 85,780,647 | 4,297,726 |
| | | 2,825,505,403 | 2,720,876,300 |
| 5.1 | Operating fixed assets | | |
| | <u>Cost</u> | | |
| | Opening balance at beginning of the period / year | 3,528,087,489 | 3,130,404,930 |
| | Additions / transfers during the period / year | 275,227,260 | 471,621,122 |
| | Disposals during the period / year | (57,309,254) | (73,938,563) |
| | Closing balance at end of the period / year | 3,746,005,495 | 3,528,087,489 |
| | <u>Less: Accumulated depreciation</u> | | |
| | Opening balance at beginning of the period / year | 811,508,915 | 584,082,107 |
| | Depreciation for the period / year | 240,970,119 | 285,495,105 |
| | On disposals | (46,198,295) | (58,068,297) |
| | Closing balance at end of the period / year | 1,006,280,739 | 811,508,915 |
| | Operating fixed assets - net book value | 2,739,724,756 | 2,716,578,574 |
| 6 | Long term investments - related parties | | |
| | <u>Related parties - at cost</u> | | |
| | <i>Farmacia (Partnership firm):</i> | | |
| | Capital held: 98% (30 June 2019: 98%) | 182,614,290 | 162,545,964 |
| | Managing Partner - Osman Khalid Waheed | | |
| | <i>BF Biosciences Limited (unlisted subsidiary):</i> | | |
| | 15,199,996 (30 June 2019: 15,199,996) fully paid | | |
| | ordinary shares of Rs. 10 each | 151,999,960 | 151,999,960 |
| | Equity held: 80% (30 June 2019: 80%) | | |
| | Chief Executive Officer - Mrs. Akhter Khalid Waheed | | |
| | | 334,614,250 | 314,545,924 |
| 6.1 | 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 not withdrawn is reinvested in capital account of partnership. | | |
| 6.2 | BF Biosciences Limited has been set up for establishing a Biotech Pharmaceutical Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company owns holds 80% (30 June 2019: 80%) of equity of the subsidiary and the remaining 20% is held by Group Empresarial Bagó S.A., Spain. | | |

| | | Un-audited 31 March 2020 | Audited 30 June 2019 |
|--|-------------|--|----------------------------|
| | | Rupees | |
| 7 Short term investments | <i>Note</i> | | |
| <u>Investments at fair value through profit or loss</u> | | | |
| Mutual fund | 7.1 | 353,417,950 | 451,847,651 |
| 7.1 These investments are measured at 'fair value through Profit or Loss' | | | |
| Fair value at 01 July | | 451,847,651 | 527,343,533 |
| Acquisition during the period / year | | - | 134,983,875 |
| Redemption during the period / year | | (123,863,790) | (198,088,835) |
| Realized gain / (loss) on sale of investments during the period / year | | 949,705 | (1,376,020) |
| Unrealized gain / (loss) on re-measurement of investment during the period / year | | 24,484,384 | (11,014,902) |
| Fair value of investments at 31 March / 30 June | 7.1.1 | 353,417,950 | 451,847,651 |
| 7.1.1 Mutual fund wise detail is as follows: | | | |
| | | Units | Fair value |
| | | Un-audited 31 March 2020 | Audited 30 June 2019 |
| | | Number | Rupees |
| HBL Money Market Fund | | 2,278,754 | 2,278,754 |
| MCB Cash Management Optimizer Fund | | 10,939 | 10,939 |
| HBL Cash Fund | | 950,387 | 2,163,177 |
| | | 353,417,950 | 451,847,651 |
| 7.2 Realized gain of Rs. 949,705 (30 June 2019: Realized loss of Rs. 1.38 million) on sale of mutual funds has been recorded in "Other Income" (30 June 2019: Other expenses) while a dividend of Rs. 10.21 million (30 June 2019: 45.22 million) is recorded in "Other income". These investments and related gain is from non shariah compliant arrangement. These are marked under lien against short term borrowings. | | | |
| 8 Cash and bank balances | | | |
| 8.1 These include current account of Rs. 0.002 million (30 June 2019: Rs. 0.003 million) maintained under Shariah compliant arrangements. | | | |
| 8.2 These include deposit accounts of Rs. 9.05 million (30 June 2019: Rs. 52.62 million) under mark up arrangements, which carry interest rate of 10.25% to 11.38% (30 June 2019: 4.50% to 10.25%) per annum. | | | |
| These also include deposit account of Rs. 0.00007 million (30 June 2019: Rs. 0.00007 million) under Shariah compliant arrangements, which carries profit rate of 10.25% to 11.25% (30 June 2019: 2.40% to 6.26%) per annum. | | | |
| | | (Un-audited) Nine months ended 31 March 2020 | 31 March 2019 |
| 9 Sales - net | | Rupees | |
| Gross sales: | | | |
| Local | | 4,186,244,351 | 3,719,841,194 |
| Export | | 190,424,050 | 129,595,211 |
| | | 4,376,668,401 | 3,849,436,405 |
| Less: | | | |
| Sales returns | | (22,081,321) | (61,468,864) |
| Discounts and commission | | (252,469,616) | (175,329,274) |
| Service charges on sales | | (6,132,969) | (11,924,526) |
| Sales tax | | (2,759,840) | (3,599,546) |
| | | (283,443,746) | (252,322,210) |
| | | 4,093,224,655 | 3,597,114,195 |
| 9.1 Revenue from contracts with customers relates to local (Pakistan) market and foreign market and represents sale of both own manufactured and purchased products. | | | |

| | | (Un-audited) Nine months ended | |
|-------------|---|---------------------------------------|--------------------------|
| | | 31 March 2020 | 31 March 2019 |
| | | ----- Rupees ----- | |
| 10 | Cost of sales | | |
| | | | |
| | Raw and packing materials consumed | 871,285,016 | 765,114,200 |
| | Other manufacturing expenses | 552,845,995 | 502,627,324 |
| | | 1,424,131,011 | 1,267,741,524 |
| | <i>Work in process:</i> | | |
| | Opening | 58,928,282 | 50,818,086 |
| | Closing | (60,110,227) | (70,984,694) |
| | | (1,181,945) | (20,166,608) |
| | <i>Cost of goods manufactured</i> | 1,422,949,066 | 1,247,574,916 |
| | <i>Finished stock:</i> | | |
| | Opening | 587,932,285 | 730,289,493 |
| | Purchases made during the year | 1,228,041,773 | 875,992,725 |
| | Closing | (874,236,714) | (695,033,385) |
| | | 941,737,344 | 911,248,833 |
| | | 2,364,686,410 | 2,158,823,749 |
| 10.1 | Raw and packing materials consumed | | |
| | | | |
| | Opening | 370,003,918 | 338,718,490 |
| | Purchases made during the year | 923,341,324 | 792,466,905 |
| | | 1,293,345,242 | 1,131,185,395 |
| | | | |
| | Closing | (422,060,226) | (366,071,195) |
| | | 871,285,016 | 765,114,200 |

11 Transactions with related parties

The Company in the normal course of business carries out transactions with various related parties which 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 the 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 2020 | 31 March 2019 |
| | ----- Rupees ----- | |
| <u>Farmacia - 98% owned subsidiary partnership firm</u> | | |
| Sale of medicines | 27,255,269 | 24,596,684 |
| Payment received against sale of finished goods | 27,255,269 | 24,596,684 |
| Share of profit reinvested | 20,068,326 | 11,986,772 |
| Rentals paid | 3,289,338 | 2,990,304 |
| <u>BF Biosciences Limited - 80% owned subsidiary company</u> | | |
| Sale of finished goods | 29,991,396 | 18,973,713 |
| Payment received against sale of finished goods | 29,991,396 | 18,973,713 |
| Purchase of goods | 3,227,700 | - |
| Payment made against purchase of goods | 3,227,700 | - |
| Sales return of medicines | - | 501,162 |
| Receipts against return of medicine | - | 501,162 |
| Purchase of vehicles | - | 14,349,314 |
| Payment against purchase of vehicles | - | 14,349,314 |
| Expenses incurred | 3,725,612 | 10,620,917 |
| Payment made against expenses re-imbursement | 3,725,612 | 10,620,917 |
| <u>Other related parties</u> | | |
| Contribution towards employees' provident fund | 29,330,392 | 26,365,392 |
| Remuneration including benefits and perquisites of key management personnel | 104,702,979 | 103,918,968 |
| Receipts from Workers' Profit Participation Fund | 12,402,668 | 8,918,108 |
| Dividend to KFW Factors (Private) Limited | 33,147,768 | 33,147,768 |
| Dividend to Directors | 13,561,688 | 12,899,804 |
| Fee paid to M/s Khan and Piracha against consultancy | 162,500 | - |
| Rent paid to Director against office | 2,970,000 | 2,700,000 |
| Donation paid to National Management Foundation | 3,000,000 | 3,000,000 |

12 Reconciliation of movement of liabilities to cash flows arising from financing activities (Un-audited)

| | 31-Mar-20 | | 31-Mar-19 | |
|--|--------------------|-----------------|--------------------|-----------------|
| | Dividend Payable | Accrued mark-up | Dividend Payable | Accrued mark-up |
| | ----- Rupees ----- | | ----- Rupees ----- | |
| Balance as at 01 July | 75,156,815 | 4,432,350 | 82,143,724 | 533,713 |
| | | 79,589,165 | | 82,677,437 |
| <u>Changes from financing cash flows</u> | | | | |
| Dividend paid | (118,939,327) | - | (125,879,484) | - |
| Financial charges paid | - | (17,234,085) | - | (12,783,734) |
| Total changes from financing cash flows | (118,939,327) | (17,234,085) | (125,879,484) | (12,783,734) |
| | | (136,173,412) | | (138,663,218) |
| <u>Other changes</u> | | | | |
| Dividend approved | 120,747,364 | - | 120,747,364 | - |
| Interest / markup expense | - | 23,557,839 | - | 17,423,336 |
| Total liability related other changes | 120,747,364 | 23,557,839 | 120,747,364 | 17,423,336 |
| | | 144,305,203 | | 138,170,700 |
| Balance as at 31 March | 76,964,852 | 10,756,104 | 77,011,604 | 5,173,315 |
| | | 87,720,956 | | 82,184,919 |

13 Financial risk management and fair value of financial instruments

13.1 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 2019;

13.2 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 | | | |
|---|---------------------------------------|--------------------------------|---------------|-------------|---------|---------|
| | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 |
| -----Rupees----- | | | | | | |
| 31 March 2020 (Un-audited) | | | | | | |
| Financial assets measured at fair value: | 353,417,950 | - | 353,417,950 | 353,417,950 | - | - |
| <u>Financial assets not measured at fair value</u> | | | | | | |
| Long term deposits | - | 9,787,325 | - | - | - | - |
| Trade debts - considered good | - | 1,121,844,808 | - | - | - | - |
| Loans and advances - considered good | - | 26,418,520 | - | - | - | - |
| Short term deposits | - | 154,909,306 | - | - | - | - |
| Other receivables | - | 63,327,642 | - | - | - | - |
| Cash and bank balances | - | 80,545,735 | - | - | - | - |
| | - | 1,456,833,336 | - | - | - | - |
| Financial liabilities measured at fair value | - | - | - | - | - | - |
| <u>Financial liabilities not measured at fair value</u> | | | | | | |
| Trade and other payables | - | - | 1,116,663,371 | - | - | - |
| Unclaimed dividend | - | - | 76,964,852 | - | - | - |
| Short term borrowings - secured | - | - | 245,655,773 | - | - | - |
| Accrued mark-up | - | - | 10,756,104 | - | - | - |
| | - | - | 1,450,040,100 | - | - | - |

30 June 2019 (Audited)

Financial assets measured at fair value:

Financial assets not measured at fair value

Long term deposits
Trade debts - considered good
Loans and advances - considered good
Short term deposits
Other receivables
Cash and bank balances

Financial liabilities measured at fair value:

Financial liabilities not measured at fair value

Trade and other payables
Unclaimed dividend
Short term borrowings - secured
Accrued mark-up

| Carrying Amount | | | | Fair Value | | |
|-----------------------------------|------------------------------------|-----------------------------|---------------|-------------|---------|---------|
| Fair Value through profit or loss | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 |
| ----- Rupees ----- | | | | | | |
| 451,847,651 | - | - | 451,847,651 | 451,847,651 | - | - |
| - | 7,086,325 | - | 7,086,325 | - | - | - |
| - | 887,452,305 | - | 887,452,305 | - | - | - |
| - | 20,230,860 | - | 20,230,860 | - | - | - |
| - | 150,269,357 | - | 150,269,357 | - | - | - |
| - | 38,049,639 | - | 38,049,639 | - | - | - |
| - | 183,447,782 | - | 183,447,782 | - | - | - |
| - | 1,286,536,268 | - | 1,286,536,268 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 915,032,671 | 915,032,671 | - | - | - |
| - | - | 75,156,815 | 75,156,815 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 4,432,350 | 4,432,350 | - | - | - |
| - | - | 994,621,836 | 994,621,836 | - | - | - |

14 Subsequent event and date of authorization for issue

The Board of Directors of the Company in its meeting held on 29 April 2020 has authorized to issue these condensed interim unconsolidated financial statements and has approved an interim cash dividend of Rs. Nil per share (31 March 2019: Rs. Nil per share) amounting to Rs. Nil (31 March 2019: Rs. Nil) for the year ending 30 June 2020.

15 Corresponding figures

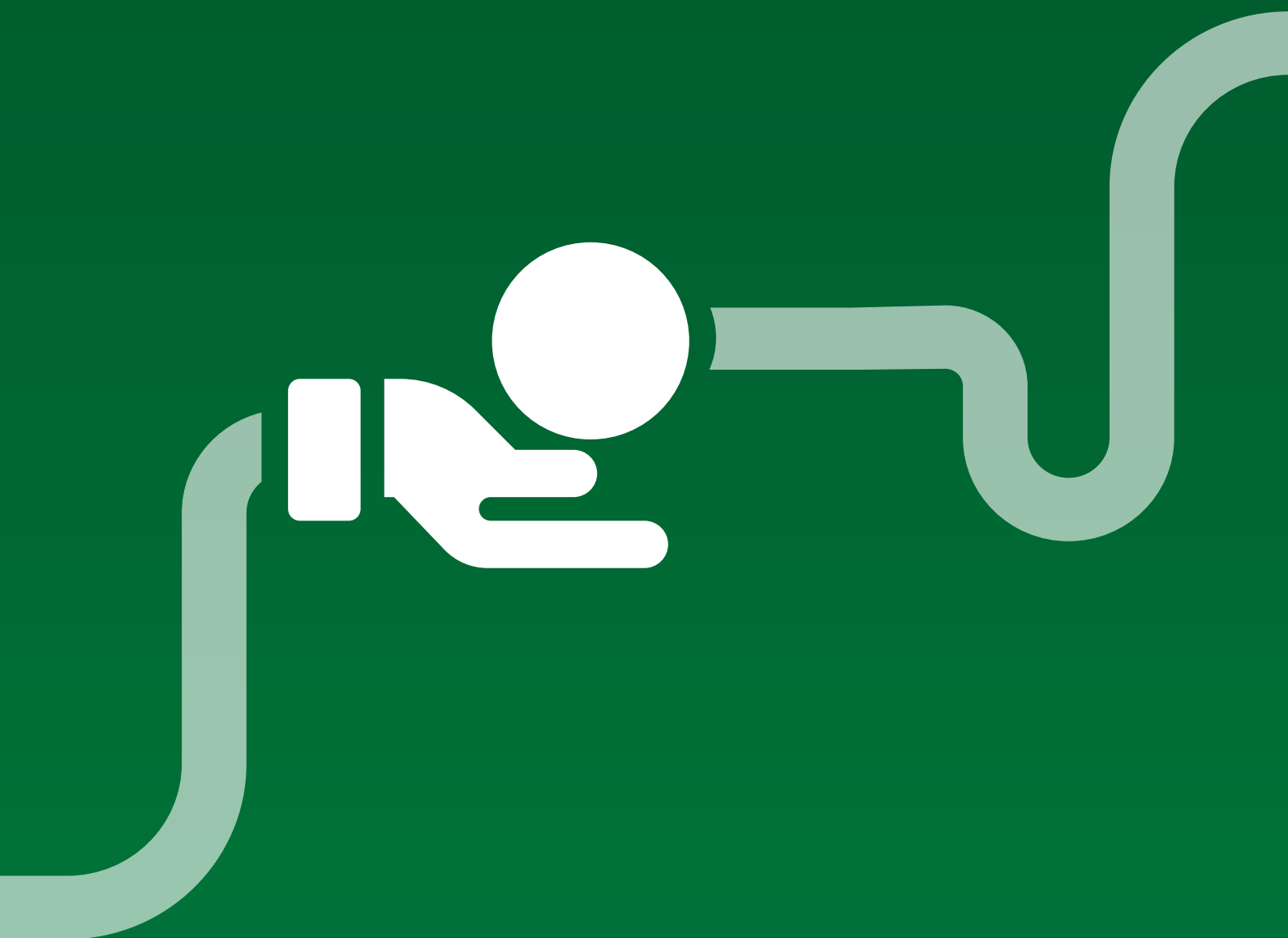
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.

Chief Executive Officer

Chief Financial Officer

Director

CONSOLIDATED FINANCIAL STATEMENTS



Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 March 2020

| | Un-audited 31 March 2020 | Audited 30 June 2019 | | Un-audited 31 March 2020 | Audited 30 June 2019 |
|--|--------------------------------|----------------------------|--------------------------------------|--------------------------------|----------------------------|
| | Rupees | | | Rupees | |
| | Note | | | Note | |
| EQUITY AND LIABILITIES | | | ASSETS | | |
| <u>Share capital and reserves</u> | | | <u>Non-current assets</u> | | |
| Authorized share capital 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rs. 10 each | | 500,000,000 | Property, plant and equipment | 7 | 3,095,878,850 |
| Issued, subscribed and paid up capital | 4 | 301,868,410 | Investment property | | 79,371,992 |
| Accumulated profit | | 4,474,553,330 | Intangibles | | 295,984 |
| Capital reserve | | 321,843 | Long term deposits and prepayments | | 14,334,325 |
| Revaluation surplus on property, plant and equipment | | 829,935,627 | | | 11,633,325 |
| Equity attributable to owners of the Company | | 5,606,679,210 | | | 3,189,881,151 |
| Non-controlling interests | | 162,270,042 | <u>Current assets</u> | | |
| | | 5,768,949,252 | Stores, spare parts and loose tools | | 63,151,842 |
| | | 169,499,718 | Stock in trade | | 1,703,192,799 |
| | | 5,639,038,984 | Trade debts - considered good | | 1,214,424,448 |
| <u>Non current liabilities</u> | | | Loans and advances - considered good | | 85,843,079 |
| Deferred taxation | | 211,024,691 | Deposits and prepayments | | 202,700,162 |
| | | 216,668,090 | Other receivables | | 70,764,505 |
| <u>Current liabilities</u> | | | Income tax - net | 8 | 342,703,291 |
| Trade and other payables | | 1,408,030,964 | Short term investments | 9 | 713,881,808 |
| Short term borrowings - secured | 5 | 246,130,459 | Cash and bank balances | | 135,415,668 |
| Unclaimed dividend | | 76,964,852 | | | 49,262,538 |
| Accrued mark-up | | 10,858,535 | | | 1,328,150,326 |
| | | 1,741,984,810 | | | 950,788,444 |
| | | 1,248,667,495 | | | 27,608,454 |
| | | 1,148,858,565 | | | 166,564,200 |
| | | 20,190,922 | | | 67,402,845 |
| | | 75,156,815 | | | 264,373,526 |
| | | 4,461,193 | | | 864,945,037 |
| | | 1,248,667,495 | | | 267,853,581 |
| | | 3,986,948,951 | | | 4,532,077,602 |
| Contingencies and commitments | 6 | | | | |
| | | 7,721,958,753 | | | |
| | | 7,104,374,569 | | | |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)

For the nine months ended 31 March 2020

| | | Nine months ended | | Quarter ended | |
|--|------|----------------------|----------------------|--------------------|--------------------|
| | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | Note | ----- Rupees ----- | | | |
| Revenue - net | 10 | 4,636,074,549 | 4,065,000,785 | 1,779,223,784 | 1,405,160,963 |
| Cost of sales | 11 | (2,893,810,406) | (2,614,989,317) | (1,154,372,138) | (938,492,950) |
| Gross profit | | 1,742,264,143 | 1,450,011,468 | 624,851,646 | 466,668,013 |
| Administrative expenses | | (305,570,830) | (286,262,502) | (97,599,199) | (90,931,346) |
| Selling and distribution expenses | | (1,089,686,783) | (960,481,235) | (342,268,517) | (347,688,200) |
| Other expenses | | (47,539,879) | (79,624,693) | (27,457,096) | (3,799,975) |
| Other income | | 98,329,414 | 86,550,619 | 11,812,160 | 21,817,175 |
| Profit from operations | | 397,796,065 | 210,193,657 | 169,338,994 | 46,065,667 |
| Finance costs | | (24,602,018) | (18,522,116) | (11,987,531) | (6,940,392) |
| Profit before taxation | | 373,194,047 | 191,671,541 | 157,351,463 | 39,125,275 |
| Taxation | | (122,641,685) | (76,593,281) | (56,494,451) | (22,651,493) |
| Profit after taxation | | 250,552,362 | 115,078,260 | 100,857,012 | 16,473,782 |
| Attributable to: | | | | | |
| Owners of the Company | | 257,782,038 | 123,233,750 | 102,906,553 | 15,839,060 |
| Non-controlling interests | | (7,229,676) | (8,155,490) | (2,049,541) | 634,722 |
| Profit after taxation | | 250,552,362 | 115,078,260 | 100,857,012 | 16,473,782 |
| Earnings per share - basic and diluted | | 8.54 | 4.08 | 3.41 | 0.52 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2020

| | Nine months ended | | Quarter ended | |
|--|--------------------|------------------|--------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | ----- Rupees ----- | | | |
| Profit after taxation | 250,552,362 | 115,078,260 | 100,857,012 | 16,473,782 |
| <i>Items that will not be reclassified to profit and loss account:</i> | | | | |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 250,552,362 | 115,078,260 | 100,857,012 | 16,473,782 |
| Attributable to: | | | | |
| Owners of the Company | 257,782,038 | 123,233,750 | 102,906,553 | 15,839,060 |
| Non-controlling interests | (7,229,676) | (8,155,490) | (2,049,541) | 634,722 |
| | 250,552,362 | 115,078,260 | 100,857,012 | 16,473,782 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the nine months ended 31 March 2020

| | Attributable to Owners of the Company | | | | | Non-controlling interests | Total | Total |
|--|---------------------------------------|-----------------|--|---------------------|---------------|---------------------------|---------------|-------|
| | Share capital | Capital reserve | | Revenue reserve | | | | |
| | | Capital reserve | Revaluation surplus on property, plant and equipment | Accumulated profits | | | | |
| Balance as at 01 July 2018 | | | | | | | | |
| Total comprehensive income for the period | 301,868,410 | 321,843 | 921,179,842 | 4,180,959,998 | 5,404,330,093 | 184,349,045 | 5,588,679,138 | |
| Surplus transferred to accumulated profit: | | | | | | | | |
| -on account of incremental depreciation charged during the period - net of tax | - | - | - | 123,233,750 | 123,233,750 | (8,155,490) | 115,078,260 | |
| -Effect of change in tax rate on account of surplus on property, plant and equipment | - | - | - | - | - | - | - | |
| Transactions with owners of the Company: | | | | | | | | |
| recognized directly in equity | | | | | | | | |
| -Final dividend for the year ended 30 June 2018 at Rs. 2 per share | - | - | - | (60,373,682) | (60,373,682) | - | (60,373,682) | |
| -Interim dividend for the year ended 30 June 2019 at Rs. 2 per share | - | - | - | (60,373,682) | (60,373,682) | - | (60,373,682) | |
| | - | - | - | (120,747,364) | (120,747,364) | - | (120,747,364) | |
| Balance as at 31 March 2019 - un-audited | 301,868,410 | 321,843 | 888,380,979 | 4,216,245,247 | 5,406,816,479 | 176,193,555 | 5,583,010,034 | |
| Balance as at 01 July 2019 | 301,868,410 | 321,843 | 862,636,602 | 4,304,712,411 | 5,469,539,266 | 169,499,718 | 5,639,038,984 | |
| Total comprehensive income for the period | - | - | - | 257,782,038 | 257,782,038 | (7,229,676) | 250,552,362 | |
| Surplus transferred to accumulated profit: | | | | | | | | |
| -on account of incremental depreciation charged during the period - net of tax | - | - | (32,806,245) | 32,806,245 | - | - | - | |
| -Effect of change in tax rate on account of surplus on property, plant and equipment | - | - | 105,270 | - | 105,270 | - | 105,270 | |
| Transactions with owners of the Company: | | | | | | | | |
| recognized directly in equity | | | | | | | | |
| -Final dividend for the year ended 30 June 2019 at Rs. 4 per share | - | - | - | (120,747,364) | (120,747,364) | - | (120,747,364) | |
| Balance as at 31 March 2020 - un-audited | 301,868,410 | 321,843 | 829,935,627 | 4,474,553,330 | 5,606,679,210 | 162,270,042 | 5,768,949,252 | |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Director

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)
For the nine months ended 31 March 2020

| | Nine months ended | |
|---|----------------------|----------------------|
| | 31 March 2020 | 31 March 2019 |
| | Rupees | |
| <u>Cash flow from operating activities</u> | | |
| Profit before taxation | 373,194,047 | 191,671,541 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 281,044,548 | 294,135,139 |
| Amortisation of intangibles | 435,195 | 1,444,685 |
| Trade debts written off | - | 15,309,358 |
| Gain on disposal of property, plant and equipment | (22,493,948) | (25,231,612) |
| Finance costs | 24,602,018 | 18,522,116 |
| Dividend income | (13,792,582) | (45,179,523) |
| (Gain) / loss on re-measurement of short term investments to fair value | (32,245,323) | (658,965) |
| (Gain) / loss on sale of short term investments | (22,636,962) | 11,429,395 |
| Profit on bank deposits | (4,402,026) | (2,322,616) |
| Workers' Profit Participation Fund | 21,908,585 | 12,807,707 |
| Workers' Welfare Fund | 6,863,262 | 6,613,239 |
| Central Research Fund | 4,425,977 | 2,587,416 |
| | 243,708,744 | 289,456,339 |
| Cash generated from operations before working capital changes | 616,902,791 | 481,127,880 |
| Effect on cash flow due to working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | (13,889,304) | 21,113,929 |
| Loans, advances, deposits and prepayments | (97,732,247) | (54,856,327) |
| Stock in trade | (375,042,473) | (65,992,706) |
| Trade debts - considered good | (263,636,004) | (217,500,288) |
| | (750,300,028) | (317,235,392) |
| Increase in current liabilities | | |
| Trade and other payables | 239,334,285 | (53,542,462) |
| Cash generated from operations | 105,937,048 | 110,350,026 |
| Taxes paid | (206,509,567) | (168,837,940) |
| Workers' Welfare Fund paid | (8,872,286) | (7,090,508) |
| Central Research Fund paid | (4,487,427) | (2,283,549) |
| Long term deposits | (2,701,000) | (20,000) |
| Net cash generated from operating activities | (116,633,232) | (67,881,971) |
| <u>Cash flow from investing activities</u> | | |
| Acquisition of property, plant and equipment | (362,345,243) | (343,566,824) |
| Proceeds from sale of property, plant and equipment | 33,604,906 | 53,726,834 |
| Dividend income | 13,792,582 | 45,179,523 |
| Profit on bank deposits | 4,402,026 | 2,322,616 |
| Redemption of short term investments - net | 205,945,514 | 163,504,874 |
| Net cash used in investing activities | (104,600,215) | (78,832,977) |
| Finance cost paid | (18,204,676) | (13,813,428) |
| Dividend paid | (118,939,327) | (125,879,484) |
| Net cash used in financing activities | (137,144,003) | (139,692,912) |
| Net decrease in cash and cash equivalents | (358,377,450) | (286,407,860) |
| Cash and cash equivalents at the beginning of the period | 247,662,659 | 190,341,586 |
| Cash and cash equivalents at the end of the period | (110,714,791) | (96,066,274) |
| Cash and cash equivalents comprise of the following: | | |
| Cash and bank balances | 135,415,668 | 105,584,101 |
| Running finance | (246,130,459) | (201,650,375) |
| | (110,714,791) | (96,066,274) |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 31 March 2020

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 manufacturing facility is located at Amangarh, Nowshera, Khyber Pakhtoon Khwa.

"The Group" consists of the following subsidiaries:

| Company / Entity | County of incorporation | Nature of business | Effective holding % | |
|------------------------|-------------------------|---|---------------------|--------|
| | | | Mar-20 | Jun-19 |
| 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 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of accounting

3.2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Holding Company, as at 31 March 2020 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows together with the notes forming part thereof.

3.2.2 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 consolidated financial statements of the Holding Company as at and for the year ended 30 June 2019.

3.2.3 Comparative figures of the statement of financial position are extracted from the annual financial statements for the year ended 30 June 2019, whereas comparatives of statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim consolidated financial information for the three months and nine months period ended 31 March 2019.

3.2.4 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.

3.3 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 2019.

3.4 Statement of consistency in accounting policies

3.4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2019 except for the adoption of new standards effective as of 01 July 2019 as stated below:

3.4.2 Change in significant accounting policies

The Group has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from the annual periods beginning on or after 01 January 2019. There are other new standards which are effective from 01 July 2019 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the change from previous accounting policy is set out below:

3.4.2.1 IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group has elected to apply practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 01 July 2019.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Company presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Company presents non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

Significant accounting policies

The Group recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Individual Company's incremental borrowing rate. The Group has used its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement.

The Group has elected not to recognize right of use assets and lease liabilities for leases of its warehouses that are of low value or with less than 12 months of lease term. The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- did not recognize right of use assets and liabilities for leases of low value items.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact on financial statements

The Group has applied IFRS 16 using the modified retrospective approach. However none of the leases prior to 01 July 2019 have been considered as significant for purpose of application of IFRS 16 and accordingly the application of IFRS 16 has no impact on the opening retained earnings.

Other than those disclosed above in note, there were certain other new 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.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Amendments and interpretations of approved accounting standards

| | | |
|---|--|-----------------|
| - | IFRS 14 Regulatory Deferral Accounts | 01 January 2020 |
| - | Amendment to IFRS 3 - Business Combinations – Definition of a Business | 01 January 2020 |
| - | Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | 01 January 2020 |
| - | Revised Conceptual Framework for Financial Reporting. Tool for the IASB to develop standards and to assist the IFRS Interpretations. | 01 January 2020 |
| - | Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 | 01 January 2020 |

| | |
|-------------------------|----------------|
| Un-audited | Audited |
| 31 March | 30 June |
| 2020 | 2019 |
| -----Rupees----- | |

4 Issued, subscribed and paid up capital

1,441,952 (30 June 2019: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash

| | |
|-------------------|------------|
| 14,419,520 | 14,419,520 |
|-------------------|------------|

119,600 (30 June 2019: 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 2019: 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 |

5 Short term borrowings - secured

There were no major changes in any of the facilities during the period. All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual published financial statement of the Holding Company for the year ended 30 June 2019.

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 2019.

6.2 Commitments

6.2.1 Letter of credits

6.2.1.1 With conventional financial institutions

Out of the aggregate facility of Rs. 1,125 million (30 June 2019: Rs. 1,125 million) for opening letters of credit, the amount utilized by the Group as at 31 March 2020 for capital expenditure was Rs. 23.80 million (30 June 2019: 131.27) and for other than capital expenditure was Rs. 478.66 million (30 June 2019: Rs. 77.38 million). These facilities are secured by joint pari passu charge over all present and future assets of the Holding Company and the remaining are secured by lien over import documents.

6.2.1.2 With shariah compliant financial institutions

The Holding Company has facility i.e. letters of credit of Rs. 275 million (30 June 2019: Rs. 275 million) availed from Islamic bank. The amount utilized as at 31 March 2020 for capital expenditure was Rs. Nil (30 June 2019: Rs. 2.82 million) and for other than capital expenditure was Rs. 134.81 million (30 June 2019: Rs. 100.52 million). Lien is also marked over import documents.

6.2.2 Guarantees issued by banks on behalf of the Company

6.2.2.1 Under Mark up arrangements

Out of the aggregate facility of Rs. 590 million (30 June 2019: Rs. 590 million), the amount utilized by the Group as at 31 March 2020 was Rs. 69.37 million (30 June 2019: Rs. 60.07 million).

6.2.2.2 Under Shariah compliant arrangements

The Holding has facility i.e. letter of guarantee of Rs. 25 million (30 June 2019: Rs. 25 million) available from Islamic bank, the amount utilized at 31 March 2020 was Rs. 6.45 million (30 June 2019: Rs. 6.45 million).

| | | Un-audited 31 March 2020 | Audited 30 June 2019 |
|---|-------------|--------------------------------|----------------------------|
| | | -----Rupees----- | |
| 7 Property, plant and equipment | <i>Note</i> | | |
| Operating fixed assets | 7.1 | 3,009,473,852 | 3,021,391,386 |
| Capital work-in-progress | | 86,404,998 | 4,297,727 |
| | | 3,095,878,850 | 3,025,689,113 |
| 7.1 Operating fixed assets | | | |
| <u>Cost</u> | | | |
| Opening balance at beginning of the period / year | | 4,207,411,283 | 3,825,479,179 |
| Additions / transfers during the period / year | | 280,237,972 | 462,349,565 |
| Disposals during the period / year | | (57,972,254) | (80,417,461) |
| Closing balance at end of the period / year | | 4,429,677,001 | 4,207,411,283 |
| <u>Less: Accumulated depreciation</u> | | | |
| Opening balance at beginning of the period / year | | 1,186,019,897 | 855,451,002 |
| Depreciation for the period / year | | 281,044,548 | 394,892,304 |
| On disposals | | (46,861,296) | (64,323,409) |
| Closing balance at end of the period / year | | 1,420,203,149 | 1,186,019,897 |
| Operating fixed assets - net book value | | 3,009,473,852 | 3,021,391,386 |

| | | Un-audited 31 March 2020 | Audited 30 June 2019 |
|---|-------|--------------------------------|----------------------------|
| | Note | Rupees | |
| 8 Short term investments | | | |
| <u>Investments at fair value through profit or loss - Mutual Funds</u> | | | |
| Held for trading | 8.1 | 553,468,059 | 490,830,304 |
| <u>Loans and receivables - Government Securities</u> | | | |
| Market treasury bills | 8.2 | 160,413,749 | 374,114,733 |
| | | 713,881,808 | 864,945,037 |
| 8.1 These investments are 'held for trading' | | | |
| Carrying value at 01 July | | 490,830,304 | 941,746,224 |
| Acquisition during the period/year | | 163,045,931 | 154,983,875 |
| Redemption during the period/year | | (123,863,790) | (583,012,355) |
| Realized gain/(loss) on sale of investment - during the period/year | | 949,705 | (8,603,276) |
| Unrealized gain/(loss) on re-measurement of investment - during the period/year | | 22,505,909 | (14,284,164) |
| Carrying and fair value of short term investments at 31 March / 30 June | 8.1.1 | 553,468,059 | 490,830,304 |

| Units | | Fair value | |
|--------------------------------|----------------------------|--------------------------------|----------------------------|
| Un-audited 31 March 2020 | Audited 30 June 2019 | Un-audited 31 March 2020 | Audited 30 June 2019 |
| Number..... | | Rupees..... | |

8.1.1 Mutual fund wise detail is as follows:

| | | | | |
|------------------------------------|-----------|-----------|--------------------|--------------------|
| HBL Money Market Fund | 2,278,754 | 2,278,754 | 255,418,015 | 232,709,773 |
| HBL Cash Fund | 950,387 | 2,163,177 | 96,896,307 | 218,038,050 |
| UBL Liquidity Plus Fund | 909,104 | - | 91,650,544 | - |
| ABL Cash Fund | 7,127,009 | 101,802 | 72,485,960 | 1,035,004 |
| MCB Cash Management Optimizer Fund | 218,311 | 209,854 | 22,025,954 | 21,099,828 |
| MCB Pakistan Stock Market Fund | 206,559 | 206,559 | 13,276,825 | 16,381,951 |
| Faysal Savings Growth Fund | 8,207 | 8,207 | 913,695 | 839,748 |
| Faysal MTS Fund | 7,207 | 7,207 | 800,759 | 725,950 |
| | | | 553,468,059 | 490,830,304 |

8.1.2 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. 0.95 million (30 Jun 2019: Realized loss of Rs. 8.60 million) has been recorded in the current period in "other income" (30 Jun 2019: Other expenses). These investments comprise of mutual funds (money market / income fund).

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

8.2 Government securities - Market Treasury Bills ("MTBs")

| Type | Tenure - Months | Face value | | | | Balance as at 31 March 2020 | | |
|------|--------------------|-------------------------|----------------------------------|---|------------------------|-----------------------------|--------------------|--|
| | | As at 1 July 2019 | Purchase during the period | Sales / matured during the period | As at 31 March 2020 | Carrying value | Amortised value | Appreciation from carrying value |
| MTB | 3 Months | 378,000,000 | 585,047,453 | 963,047,453 | - | - | - | - |
| MTB | 6 Months | - | 107,000,000 | - | 107,000,000 | 100,387,721 | 105,655,745 | 5,268,024 |
| MTB | 12 Months | - | 113,000,000 | 54,625,000 | 58,375,000 | 50,286,614 | 54,758,004 | 4,471,390 |
| | | 378,000,000 | 805,047,453 | 1,017,672,453 | 165,375,000 | 150,674,335 | 160,413,749 | 9,739,414 |

9 Cash and bank balances

9.1 These include current account of Rs. 0.002 million (30 June 2019: Rs. 0.003 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 26.33 million (30 June 2019: Rs. 71.23 million) under mark up arrangements, which carry interest rate ranging from 10.25% to 11.38% (30 June 2019: 4.5% - 10.25%) per annum.

These also include deposit account of Rs. 0.00007 million (30 June 2019: Rs. 0.00007 million) under Shariah compliant arrangements, which carries profit rate of 10.25% to 11.25% (30 June 2019: 2.40% to 6.26%) per annum.

10 Revenue - net

Gross sales:

| | (Un-audited) Nine months ended 31 March 2020 | 31 March 2019 |
|--------|--|----------------------|
| Local | 4,781,894,434 | 4,238,149,122 |
| Export | 209,078,781 | 145,876,259 |
| | 4,990,973,215 | 4,384,025,381 |

Less:

| | | |
|--------------------------|----------------------|----------------------|
| Sales returns | (38,116,919) | (74,722,683) |
| Discounts and commission | (292,314,904) | (216,189,146) |
| Service charges on sales | (17,663,592) | (21,481,187) |
| Sales tax | (6,803,251) | (6,631,580) |
| | (354,898,666) | (319,024,596) |
| | 4,636,074,549 | 4,065,000,785 |

10.1 Revenue from contracts with customers relates to local (Pakistan) market and foreign market and represents sale of both own manufactured and purchased products.

| | | (Un-audited) Nine months ended 31 March 2020 | 31 March 2019 |
|------------------------------------|------|--|----------------------|
| | Note | | |
| | | | |
| 11 Cost of sales | | | |
| Raw and packing materials consumed | 11.1 | 1,004,876,018 | 892,248,838 |
| Other manufacturing expenses | | 737,011,832 | 709,156,558 |
| | | 1,741,887,850 | 1,601,405,396 |
| Work in process: | | | |
| Opening | | 94,961,552 | 71,287,001 |
| Closing | | (77,461,187) | (119,288,983) |
| | | 17,500,365 | (48,001,982) |
| Cost of goods manufactured | | 1,759,388,215 | 1,553,403,414 |
| Finished stock: | | | |
| Opening | | 644,180,004 | 773,414,598 |
| Purchases made during the period | | 1,413,370,457 | 1,034,885,856 |
| Closing | | (923,128,270) | (746,714,551) |
| | | 1,134,422,191 | 1,061,585,903 |
| | | 2,893,810,406 | 2,614,989,317 |

11.1 Raw and packing materials consumed

| | | |
|----------------------------------|----------------------|----------------------|
| Opening | 426,791,896 | 392,398,201 |
| Purchases made during the period | 1,096,434,270 | 926,405,634 |
| | 1,523,226,166 | 1,318,803,835 |
| Closing | (518,350,148) | (426,554,997) |
| | 1,004,876,018 | 892,248,838 |

12 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 2020 | 31 March 2019 |
| | ----- Rupees ----- | |
| Other related parties | | |
| Contribution towards employees' provident fund | 33,357,869 | 30,419,195 |
| Remuneration including benefits and perquisites of key management personnel | 147,013,642 | 130,191,883 |
| Receipts from Workers' Profit Participation Fund | 12,402,668 | 8,918,108 |
| Dividend to KFW Factors (Private) Limited | 33,147,768 | 33,147,768 |
| Dividend to Directors | 13,561,688 | 12,899,804 |
| Fee paid to M/S Khan and Piracha | 162,500 | - |
| Rent paid to Director against office | 2,970,000 | 2,700,000 |
| Donation paid to National Management Foundation | 3,000,000 | 3,000,000 |

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

| | Unclaimed dividend | Accrued mark-up | Total |
|---|-----------------------|---------------------|----------------------|
| | ----- Rupees ----- | | |
| <u>As at 01 July 2019</u> | 75,156,815 | 4,461,193 | 79,618,008 |
| <u>Changes from financing cash flows</u> | | | |
| Dividend paid | (118,939,327) | - | (118,939,327) |
| Financial charges paid | - | (18,204,676) | (18,204,676) |
| Total changes from financing cash flows | (118,939,327) | (18,204,676) | (137,144,003) |
| <u>Other changes</u> | | | |
| Dividend approved | 120,747,364 | - | 120,747,364 |
| Interest / markup expense | - | 24,602,018 | 24,602,018 |
| Total liability related other changes | 120,747,364 | 24,602,018 | 145,349,382 |
| <u>As at 31 March 2020</u> | 76,964,852 | 10,858,535 | 87,823,387 |

| | Unclaimed dividend | Accrued mark-up | Total |
|---|-------------------------------|----------------------------|----------------------|
| | ----- Rupees ----- | | |
| <u>As at 01 July 2018</u> | 82,143,724 | 539,624 | 82,683,348 |
| <u>Changes from financing cash flows</u> | | | |
| Dividend paid | (125,879,484) | - | (125,879,484) |
| Financial charges paid | - | (13,813,428) | (13,813,428) |
| Total changes from financing cash flows | (125,879,484) | (13,813,428) | (139,692,912) |
| <u>Other changes</u> | | | |
| Dividend approved | 120,747,364 | - | 120,747,364 |
| Interest / markup expense | - | 18,522,116 | 18,522,116 |
| Total liability related other changes | 120,747,364 | 18,522,116 | 139,269,480 |
| <u>As at 31 March 2019</u> | 77,011,604 | 5,248,312 | 82,259,916 |

14 Financial risk management and financial instruments - fair value

- 14.1** 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 2019. The exposure to credit risk relates to trade and other receivables which are majorly due from Government institutions and the Company does not expect these institutions to fail to meet their obligations. The increase in trade receivables is due to increase in sales to Government institutions as historically recovery from these are slow.

14.2 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 | | |
|--|-----------------------------------|------------------------------------|-----------------------------|----------------------|-----------------------------------|
| | Fair Value through profit or loss | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 Level 2 Level 3 |
| ----- Rupees ----- | | | | | |
| 31 March 2020 | | | | | |
| Financial assets measured at fair value: | | | | | |
| Short term investments | 553,468,059 | - | - | 553,468,059 | - |
| Financial assets not measured at fair value: | | | | | |
| Long term deposits | - | 14,334,325 | - | 14,334,325 | - |
| Trade debts - considered good | - | 1,214,424,448 | - | 1,214,424,448 | - |
| Loans and advances - considered good | - | 28,998,960 | - | 28,998,960 | - |
| Short term deposits and prepayments | - | 161,308,824 | - | 161,308,824 | - |
| Other receivables | - | 70,764,505 | - | 70,764,505 | - |
| Short term investments | - | 160,413,749 | - | 160,413,749 | - |
| Cash and bank balances | - | 135,415,668 | - | 135,415,668 | - |
| | - | 1,785,660,479 | - | 1,785,660,479 | - |
| Financial liabilities measured at fair value: | | | | | |
| | - | - | - | - | - |
| Financial liabilities not measured at fair value: | | | | | |
| Trade and other payables | - | - | - | - | - |
| Unclaimed dividend | - | - | - | - | - |
| Short term borrowing | - | - | - | - | - |
| Accrued mark-up | - | - | - | - | - |
| | - | - | - | - | - |

15 Subsequent event and date of authorization for issue

The Board of Directors of the Holding Company in its meeting held on 29 April 2020 has authorized to issue these condensed interim consolidated financial statements and has approved interim cash dividend of Rs. Nil per share (31 March 2019: Rs. Nil per share) amounting to Rs. Nil (31 March 2019: Rs. Nil) for the year ending 30 June 2020 in the same meeting. There are no subsequent events after the reporting date.

16 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.

Chief Executive Officer

Chief Financial Officer








Director










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