



FEROZSONS
LABORATORIES LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS
ENDED 31 MARCH 2021**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Akhter Khalid Waheed
Mr. Osman Khalid Waheed
Mrs. Amna Piracha Khan
Mrs. Munize Azhar Peracha
Mr. Shahid Anwar
Mr. Arshad Saeed Husain
Mr. Suleman Ghani

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

Chairperson
Chief Executive

AUDIT COMMITTEE

Mr. Arshad Saeed Husain
Mrs. Amna Piracha Khan
Mr. Shahid Anwar
Mr. Suleman Ghani

Chairman
Member
Member
Member

INVESTMENT COMMITTEE

Mr. Suleman Ghani
Mr. Osman Khalid Waheed
Mr. Shahid Anwar

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Arshad Saeed Husain
Mr. Osman Khalid Waheed
Mrs. Munize Azhar Peracha
Mr. Shahid Anwar

Chairman
Member
Member
Member

COMPANY SECRETARY

Syed Ghausuddin Saif

LEGAL ADVISORS

Khan & Piracha

REGISTERED OFFICE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Farhan Rafiq

SHARE REGISTRAR

CorpTec Associates (Pvt.) Limited
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HEAD OF INTERNAL AUDIT

Mr. Rizwan Hameed Butt

FACTORY

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Telephone: +92-923-614295, 610159
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House No. 9, Block 7/8,
Maqbool Cooperative Housing
Society, Shahrah-e-Faisal,
Karachi, Pakistan
Telephone: +92-21-34386852
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EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

INTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

HEAD OFFICE

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Lahore, Pakistan
Telephone: +92-42-36026700
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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

DIRECTORS' REPORT OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 MARCH 2021

We are pleased to present a brief review of the Company's un-audited standalone and consolidated condensed interim financial information for the nine months ended 31 March 2021. 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-21	9 Months 31-Mar-20	3 Months 31-Mar-21	3 Months 31-Mar-20	9 Months 31-Mar-21	9 Months 31-Mar-20	3 Months 31-Mar-21	3 Months 31-Mar-20
	(Rupees in thousand)							
Revenue - net	4,749,012	4,093,225	1,908,555	1,570,070	6,020,709	4,636,075	2,339,399	1,779,224
Gross profit	1,968,696	1,728,538	728,143	614,380	2,437,036	1,742,264	871,264	624,852
Profit before tax	710,725	409,400	311,233	167,360	1,037,627	373,194	403,241	157,352
Profit after tax	505,271	289,115	216,192	110,986	822,540	250,552	300,112	100,857
Earnings per share (Rs.)	13.95	7.98	5.97	3.06	20.92	7.12	7.80	2.84
		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>

The Company's standalone net sales grew by 16% for the nine months and 22% for the third quarter. At the group level, consolidated net sales increased by 30% for the nine months and 31% for the third quarter over the corresponding period last year.

The surge in standalone net sales during the third quarter is largely driven by increased medical devices sales to government institutions. As these sales carry extended credit terms, the trade receivables have been also grown correspondingly. At the group level, the higher growth in net sales is primarily a result of sales of Remidia (i.e., Remdesivir) through subsidiary company BF Biosciences Limited in the current period under review.

Our branded generic sales grew by 13% during the nine months, whereas generic sales to government institutions declined by 19%, mainly due to reduced buying by provincial governments.

The gross profit margin for the nine months under review stands at 41%, compared to 42% in the same period of last year. In absolute terms, the gross profit grew by 14%. The change in gross profit margin is primarily due to a change in the sales mix.

Selling and distribution expenses decreased by 4% over the corresponding period last year. The decrease primarily represents a reduction in traveling and field activities due to the COVID-19 pandemic.

Other expenses increased by 37%, mainly due to statutory levies (WPPF/WWF/CRF), whereas other income increased by 51%, primarily due to foreign exchange gain during the period under review.

Net Profit after tax for the Company stands at Rs. 505.27 million for the nine months and Rs. 216.19 million for the third quarter under review. As appraised above, the decrease in selling and distribution expenses has also contributed positively towards the bottom line of the Company.

Accordingly, earnings per share stood at Rs. 13.95 per share for the nine months, compared to Rs. 7.98 per share over the corresponding period last year. Last year's earnings per share have been restated to account for the impact of bonus shares issued.

BF Biosciences Limited Operational Status

The Company's 80% owned subsidiary BF Biosciences Limited (BFBL) closed its net sales at Rs. 1,198 million for the nine months and Rs. 412 million for the third quarter under review, posting an increase of 201% and 145% respectively over the last year. The increase in sales of the BFBL mainly represents export sales of Remidia (i.e., Remdesivir) during the period under review.

We are also pleased to announce that sales of Hecolin[®], the world's first Hepatitis E Vaccine have been commenced during the third quarter under review. Hepatitis E, a water-borne disease, is highly endemic in Pakistan, and is especially dangerous in pregnant women, patients of chronic liver disease and the elderly.

Future Outlook

During the period under review, the pharmaceutical industry grew by approximately 12%, whereas Pakistan's pharmaceutical exports grew by 25% over the corresponding period last year.

On the external side, economic indicators and business confidence improved during the quarter under review. However, the downside risk to the economy remains high because of the emergence of a dangerous third wave in COVID-19 cases in Pakistan, which may ultimately slow down economic recovery.

Acknowledgments

We would like to thank our customers, vendors, distributors, business partners, and bankers for their continued support during the period. We would like to place on record our appreciation of the contribution made by our employees at all levels. Despite the challenges presented by the pandemic, our team has bravely continued to work at the plant, office and especially in the field, supporting doctors and frontline healthcare workers in their noble cause of saving lives.

For and on behalf of the Board of Directors

Mr. Osman Khalid Waheed
Chief Executive Officer

Mrs. Akhter Khalid Waheed
Chairperson

زیر جائزہ عرصہ کے دوران، دیگر اخراجات میں 37% اضافہ ہوا، جس کی بڑی وجہ حکومتی محصول (WPPF/WWF/CRF) ہیں، جبکہ دیگر آمدن میں 51% اضافہ ہوا جس کی بڑی وجہ غیر ملکی شرح مبادلہ کا فائدہ ہے۔

زیر جائزہ نو ماہی اور سہ ماہی کے دوران کمپنی کا بعد از ٹیکس منافع بالترتیب 505.27 ملین روپے اور 216.19 ملین روپے رہا۔ جیسا کہ اوپر بتایا گیا ہے، فروخت اور ڈسٹری بیوٹن کے اخراجات میں کمی کی وجہ سے بھی کمپنی کے منافع میں بہتری آئی۔

چنانچہ اس نو ماہی میں فی حصص آمدن (EPS) 13.95 روپے فی حصص رہی، جبکہ پچھلے سال کی اسی نو ماہی میں فی حصص آمدن (EPS) 7.98 روپے فی حصص تھی۔ بونس شیئرز کے اجراء کی وجہ سے پچھلے سال کی فی حصص آمدن (EPS) میں ترمیم کی گئی۔

BF بائیوسائنسز لمیٹڈ کی آپریشنل صورتحال

زیر جائزہ نو ماہی اور تیسری سہ ماہی کے دوران کمپنی کی ذیلی کمپنی BF بائیوسائنسز لمیٹڈ (80 فیصد ملکیت) کی خالص فروخت بالترتیب 1,198 ملین روپے اور 412 ملین روپے رہی، جس میں پچھلے سال کے اسی عرصہ کے مقابلے میں بالترتیب 201% اور 145% اضافہ ہوا۔ BF بائیوسائنسز لمیٹڈ کی فروخت میں اضافے کی بنیادی وجہ زیر جائزہ عرصہ کے دوران ریڈیٹا (یعنی ریڈیٹا سیویئر) (Remidia, i.e. Remdesivir) کی برآمد ہے۔

ہم یہ بتانے میں مسرت محسوس کرتے ہیں کہ زیر جائزہ عرصہ کے دوران ہولین® (Hecolin®)، جو کہ پیپٹائٹس E کیلئے دنیا کی پہلی ویکسین ہے، کی فروخت کا آغاز بھی ہو گیا ہے۔ پیپٹائٹس E، جو کہ پانی کے ذریعے پھیلتا ہے، پاکستان میں انتہائی متعدی مرض ہے، اور حاملہ خواتین، جگر کی دائمی بیماری کے مریضوں اور بوڑھوں کیلئے خاص طور پر خطرناک ہے۔

مستقبل کے امکانات کا جائزہ

زیر جائزہ عرصہ کے دوران، فارماسیوٹیکل انڈسٹری میں تقریباً 12% اضافہ ہوا، جبکہ پاکستان کی فارماسیوٹیکل انڈسٹری کی برآمدات میں پچھلے سال کے اسی عرصہ کے مقابلہ میں 25% اضافہ ہوا۔

بیرونی حالات کی بات کی جائے تو زیر جائزہ عرصہ کے دوران معاشی اشاریوں اور کاروباری اعتماد میں بہتری آئی۔ تاہم، معیشت میں تنزلی کا خطرہ بدستور زیادہ ہے کیونکہ پاکستان میں کووڈ-19 کیسز کی تیسری لہر کا خطرناک پھیلاؤ معاشی بحالی کے عمل کو سست روی کی جانب لے جا سکتا ہے۔

اعتراف

ہم اس عرصہ کے دوران اپنے خریداروں، ویئنڈرز، 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۔ عالمی وبا کی وجہ سے درپیش چیلنجز کے باوجود، جان بچانے کے عمدہ مقصد میں ڈاکٹروں اور طبی نگہداشت مہیا کرنے والے صف اول کے کارکنان کی مدد کرنے کیلئے ہماری ٹیم پلانٹ، دفتر اور خاص طور پر فیلڈ میں بہادری سے کام کرتی رہی۔

بورڈ آف ڈائریکٹرز کی جانب سے

مسز اختر خالد وحید

چیئر پرسن

مسٹر عثمان خالد وحید

چیف ایگزیکٹو آفیسر

نوماہی کے مختصر عبوری مالیاتی نتائج پر ڈائریکٹرز کی جائزہ رپورٹ

(31 مارچ 2021 کو نوماہ کے اختتام پر)

ہم انتہائی مسرت کے ساتھ 31 مارچ 2021 پر ختم ہونے والی نوماہی کیلئے کمپنی کے غیر پڑتال شدہ انفرادی اور انضمام کردہ مختصر عبوری مالیاتی نتائج پیش کرتے ہیں۔ انضمام کردہ مختصر عبوری مالیاتی نتائج میں فارمیشیا وینچر (98 فیصد ملکیت) اور ذیلی کمپنی BF بائیوسائنسز 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
2020 مارچ 31	2021 مارچ 31	2020 مارچ 31	2021 مارچ 31	2020 مارچ 31	2021 مارچ 31	2020 مارچ 31	2021 مارچ 31
(ہزار روپے)							
1,779,224	2,339,399	4,636,075	6,020,709	1,570,070	1,908,555	4,093,225	4,749,012
624,852	871,264	1,742,264	2,437,036	614,380	728,143	1,728,538	1,968,696
157,352	403,241	373,194	1,037,627	167,360	311,233	409,400	710,725
100,857	300,112	250,552	822,540	110,986	216,192	289,115	505,271
2.84	7.80	7.12	20.92	3.06	5.97	7.98	13.95
ترمیم کردہ		ترمیم کردہ		ترمیم کردہ		ترمیم کردہ	

کمپنی کی انفرادی فروخت (خالص) میں اس نوماہی کے دوران 16% اضافہ ہوا جبکہ تیسری ماہی کے دوران 22% اضافہ ہوا۔ گروپ کی فروخت (خالص) میں اس نوماہی کے دوران گزشتہ سال کی اسی نوماہی کے مقابلے میں 30% اضافہ ہوا جبکہ تیسری ماہی کے دوران گزشتہ سال کی تیسری ماہی کے مقابلے میں 31% اضافہ دیکھنے میں آیا۔ حکومتی اداروں کو طبی آلات کی فروخت میں اضافے کی وجہ سے تیسری ماہی کے دوران انفرادی فروخت (خالص) میں نمایاں اضافہ ہوا۔ کیونکہ ان سودوں کی مدت ادائیگی زیادہ تھی، اسلئے کاروبار کی قابل وصول رقم میں بھی اسی تناسب سے اضافہ ہو گیا۔ گروپ کی سطح پر فروخت (خالص) میں نمایاں اضافے کی وجہ سے جائزہ عرصہ کے دوران ذیلی کمپنی BF بائیوسائنسز لمیٹڈ کے ذریعے رییمیڈیا (یعنی رییمیڈیسیور) (Remidia, i.e. Remdesivir) کی فروخت ہے۔

اس نوماہی کے دوران ہماری جنیٹک مارکہ مصنوعات کی فروخت میں 13% اضافہ ہوا، جبکہ حکومتی اداروں کو جنیٹک مصنوعات کی فروخت میں 19% کمی آئی، جس کی بنیادی وجہ صوبائی حکومتوں کی خریداری میں کمی ہے۔

زیر جائزہ نوماہی کے دوران آپ کی کمپنی کے گراس منافع (GP) کی گنجائش 41% رہی جو کہ پچھلے سال کی اسی نوماہی کے دوران 42% تھی۔ حقیقی لحاظ سے گراس منافع (GP) کی گنجائش میں 14% 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 4% کمی ہوئی۔ اس کمی کی بنیادی وجہ کووڈ-19 وبا کی وجہ سے فیلڈ کی سفری اور دیگر سرگرمیوں میں کمی واقع ہونا ہے۔

OUR FINANCIAL STATEMENTS



Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at 31 March 2021

ASSETS	Un-audited 31 March 2021	Audited 30 June 2020	Note	Rupees	
				Un-audited 31 March 2021	Audited 30 June 2020
EQUITY AND LIABILITIES					
<u>Share capital and reserves</u>					
Authorized share capital					
50,000,000 (30 June 2020: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000			
Issued, subscribed and paid up capital	362,242,100	301,868,410	3		
Capital reserve	321,843	321,843			
Accumulated profit	4,537,773,051	4,181,754,531			
Revaluation surplus on property, plant and equipment	1,104,936,125	1,135,897,569			
	6,005,273,119	5,619,842,353			
<u>Non current liabilities</u>					
Long term loan - secured	122,603,509	90,090,384	4		
Deferred grant	5,646,491	4,409,616	4		
Deferred taxation	276,265,357	282,742,428			
	404,515,357	377,242,428			
<u>Current liabilities</u>					
Trade and other payables	1,591,061,897	1,320,854,227			
Contract liabilities	44,186,443	44,671,521			
Short term borrowings - secured	-	51,017,136	5		
Current portion of long term liabilities	171,000,000	31,500,000	4		
Unclaimed dividend	80,189,989	76,964,852			
Accrued mark-up	3,190,893	2,509,734			
	1,889,629,222	1,527,517,470			
Contingencies and commitments					
	8,299,417,698	7,524,602,251	6		
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	3,227,505,871	3,308,834,762	7		
Intangibles	714,483	423,498			
Long term investments - related parties	344,828,594	334,863,185	8		
Long term deposits	9,717,325	9,787,325			
	3,582,766,273	3,653,908,770			
<u>Current assets</u>					
Stores, spare parts and loose tools	39,090,743	30,392,651			
Stock in trade	1,803,562,908	1,833,184,796			
Trade debts - considered good	1,387,590,612	1,026,879,355			
Loans and advances - considered good	47,814,788	42,851,733			
Deposits and prepayments	192,649,007	155,899,633			
Other receivables	21,163,247	38,117,556			
Advance income tax - net	260,000,958	286,479,315	9		
Short term investments	810,917,022	357,590,624	10		
Cash and bank balances	153,862,140	99,297,818			
	4,716,651,425	3,870,693,481			
	8,299,417,698	7,524,602,251			

The annexed notes from 1 to 17 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 and quarter ended 31 March 2021

	Note	Nine months ended		Quarter ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
		Rupees		Rupees	
Revenue - net	11	4,749,012,271	4,093,224,655	1,908,555,280	1,570,069,503
Cost of sales	12	(2,780,315,890)	(2,364,686,410)	(1,180,412,171)	(955,689,508)
Gross profit		1,968,696,381	1,728,538,245	728,143,109	614,379,995
Administrative expenses		(290,577,170)	(273,760,554)	(97,950,208)	(88,461,283)
Selling and distribution expenses		(1,008,369,076)	(1,055,784,026)	(353,721,894)	(332,779,022)
Other expenses		(65,568,962)	(48,003,434)	(28,284,518)	(27,920,651)
Other income		123,814,797	81,967,460	67,561,893	13,762,165
Profit from operations		727,995,970	432,957,691	315,748,382	178,981,204
Finance cost		(17,270,535)	(23,557,839)	(4,515,705)	(11,620,802)
Profit before taxation		710,725,435	409,399,852	311,232,677	167,360,402
Taxation		(205,454,598)	(120,285,222)	(95,040,447)	(56,373,963)
Profit after taxation		505,270,837	289,114,630	216,192,230	110,986,439
Earnings per share - basic and diluted		13.95	7.98	5.97	3.06
			<i>Re-stated</i>		<i>Re-stated</i>

The annexed notes from 1 to 17 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 and quarter ended 31 March 2021

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March</u>	<u>31 March</u>	<u>31 March</u>	<u>31 March</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>----- Rupees -----</u>	<u>----- Rupees -----</u>	<u>----- Rupees -----</u>	<u>----- Rupees -----</u>
Profit after taxation	505,270,837	289,114,630	216,192,230	110,986,439
<u>Items that will not be reclassified to profit or loss</u>				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>505,270,837</u>	<u>289,114,630</u>	<u>216,192,230</u>	<u>110,986,439</u>

The annexed notes from 1 to 17 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 2021

	Capital reserve		Revenue reserve		Total
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profit	
	----- Rupees -----				
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
Balance as at 01 July 2020	301,868,410	321,843	1,135,897,569	4,181,754,531	5,619,842,353
Total comprehensive income for the period	-	-	-	505,270,837	505,270,837
<u>Surplus transferred to accumulated profit</u>					
- On account of incremental depreciation charged during the period - net of tax	-	-	(31,868,737)	31,868,737	-
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	907,293	-	907,293
<u>Transactions with owners of the Company, recognized directly in Equity - Distributions</u>					
-Final dividend for the year ended 30 June 2020 at Rs. 4 per share	-	-	-	(120,747,364)	(120,747,364)
-Issuance of bonus shares at 20%	60,373,690	-	-	(60,373,690)	-
	60,373,690	-	-	(181,121,054)	(120,747,364)
Balance as at 31 March 2021 - unaudited	362,242,100	321,843	1,104,936,125	4,537,773,051	6,005,273,119

The annexed notes from 1 to 17 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 2021

	Nine months ended	
	31 March 2021	31 March 2020
	----- Rupees -----	
<u>Cash flow from operating activities</u>		
Profit before taxation	710,725,435	409,399,852
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	237,186,064	240,970,119
Amortisation of intangibles	344,559	435,195
Gain on disposal of property, plant and equipment	(24,188,845)	(22,144,947)
Finance cost	17,270,535	23,557,839
Dividend income	(10,135,076)	(10,209,134)
Profit on bank deposits	(2,624,152)	(2,232,559)
(Gain) / loss on re-measurement of short term investments to fair value	(14,742,286)	(24,484,384)
(Gain) / loss on sale of short term investments	-	(949,705)
Share in profit of Farmacia	(9,965,409)	(20,068,326)
Workers' Profit Participation Fund	38,426,573	21,908,585
Central Research Fund	7,762,944	4,425,977
Workers' Welfare Fund	16,394,185	6,863,262
	255,729,092	218,071,922
Cash generated from operations before working capital changes	966,454,527	627,471,774
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(8,698,092)	(9,263,981)
Stock in trade	29,621,888	(370,318,366)
Trade debts - considered good	(360,711,257)	(234,392,503)
Loans and advances - considered good	(4,963,055)	(52,989,512)
Deposits and prepayments	(36,749,374)	(16,273,991)
Other receivables	16,954,308	(2,970,556)
	(364,545,582)	(686,208,909)
<i>Increase in current liabilities</i>		
Trade and other payables	213,640,657	230,611,226
	815,549,602	171,874,091
Cash generated from operations	815,549,602	171,874,091
Taxes paid	(184,546,014)	(189,921,273)
Central Research Fund paid	(6,134,752)	(4,487,427)
Workers' Profit Participation Fund paid	(367,021)	-
Long term deposits - net	70,000	(2,701,000)
Net cash generated from / (used in) operating activities	624,571,815	(25,235,609)
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(161,642,844)	(356,710,181)
Proceeds from sale of property, plant and equipment	29,974,518	33,255,899
Dividend income	10,135,076	10,209,134
Profit on bank deposits received	2,624,152	2,232,559
(Acquisition) / redemption of short term investments - net	(438,584,112)	123,863,790
Net cash used in investing activities	(558,128,754)	(187,148,799)
<u>Cash flow from financing activities</u>		
Finance cost paid	(16,589,376)	(17,234,085)
Proceeds of long term loan	216,000,000	-
Repayment of long term loan	(42,750,000)	-
Dividend paid	(117,522,227)	(118,939,327)
Net cash generated from / (used in) financing activities	39,138,397	(136,173,412)
Net increase / (decrease) in cash and cash equivalents	105,581,458	(348,557,820)
Cash and cash equivalents at beginning of the period	48,280,682	183,447,782
Cash and cash equivalents at end of the period	153,862,140	(165,110,038)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	153,862,140	80,545,735
Running finance	-	(245,655,773)
	153,862,140	(165,110,038)

The annexed notes from 1 to 17 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 2021

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 2021 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 2020. 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 2020, 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 2020.

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 2020.

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 2020.
- 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.

3 Issued, subscribed and paid-up capital

	Un-audited 31 March 2021 (Number of shares)	Audited 30 June 2020	Un-audited 31 March 2021 (Rupees)	Audited 30 June 2020
<i>Authorised share capital</i>				
Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000,000	500,000,000
<i>Issued, subscribed and paid-up share capital</i>				
Voting ordinary shares of Rs. 10 each fully paid up in cash	1,441,952	1,441,952	14,419,520	14,419,520
Voting ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	119,600	119,600	1,196,000	1,196,000
Voting ordinary shares of Rs. 10 each issued as bonus shares	34,662,658	28,625,289	346,626,580	286,252,890
	36,224,210	30,186,841	362,242,100	301,868,410
			Un-audited 31 March 2020	Audited 30 June 2020
3.1 Movement in number of shares				
Opening number of shares			30,186,841	30,186,841
Issue of bonus shares at the rate of 20% (i.e. 2 shares for every 10 shares held)			6,037,369	-
Closing number of shares			36,224,210	30,186,841

4 Long term loan - secured

Under markup / interest arrangement

The Company obtained term finance facility under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan in order to prevent entities from laying-off employees during COVID-19 outbreak. During the current period, the Company obtained further loan of Rs. 216 million for paying salaries under this scheme. The facility carry mark-up at the rate specified by State Bank of Pakistan plus relevant bank's spread of 3%. The tenor of this facility is up to 01 October 2022 and the repayments of the facility have started from 01 January 2021. The loan has been measured at its fair value in accordance with the guidelines of IFRS 9 (Financial Instruments) using effective interest rate. The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan. The facility is secured by first exclusive equitable mortgage charge of 502 million on land and building of head office of the Company.

5 Short term borrowings - secured

All terms and conditions applicable on short term borrowings availed are same as those disclosed in the unconsolidated annual financial statements of the Company for the year ended 30 June 2020.

6 Contingencies and commitments

6.1 Contingencies

There are no contingencies as of the reporting date.

6.2 Commitments

6.2.1 Letter of credits

6.2.1.1 With conventional financial institutions

Out of the aggregate facility of Rs. 700 million (2020: Rs. 700 million) for opening letters of credit, the amount utilized as at 31 March 2021 for capital expenditure was Rs. Nil (2020: Rs. 5.05 million) and for other than capital expenditure was Rs. 193.85 million (2020: Rs. 62.95 million). Out of these facilities, Rs. 300 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.

6.2.1.2 With shariah compliant financial institutions

The Company has facility i.e. letters of credit of Rs. 200 million (2020: Rs. 200 million) available from Islamic bank. The amount utilized as at 31 March 2021 for capital expenditure was Rs. 19.33 million (2020: Rs. 13.95 million) and for other than capital expenditure was Rs. 121.53 million (2020: Rs. 78.52 million). Lien is also marked over import documents.

6.2.2 Guarantees issued by banks on behalf of the Company

6.2.2.1 With conventional financial institutions

Out of the aggregate facility of Rs. 375 million (2020: Rs. 375 million) for letter of guarantees (which is the sublimit of running finance and letter of credits), the amount utilized as at 31 March 2021 was Rs. 142.63 million (2020: Rs. 87.49 million).

6.2.2.2 With shariah compliant financial institutions

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

6.2.3 Cross corporate guarantees and assets marked under lien for securing financing by the subsidiary company

As approved by the members of Ferozsons Laboratories Limited (the Parent Company) in their Extra-Ordinary General Meeting held on February 12, 2021, the Parent Company has issued cross corporate guarantees and marked its assets (present and future fixed assets excluding land and building) under lien in favour of financial institutions of the BF Biosciences Limited (Subsidiary Company) amounting to Rs. 2,925 million (2020: Rs. Nil) and Rs. 457 million (2020: Rs. Nil) respectively to secure financing for installing a second production line by the Subsidiary Company.

		Un-audited 31 March 2021	Audited 30 June 2020
7 Property, plant and equipment	<i>Note</i>	-----Rupees-----	
Operating fixed assets	<i>7.1</i>	3,168,554,283	3,227,904,469
Capital work-in-progress		58,951,588	80,930,293
		<u>3,227,505,871</u>	<u>3,308,834,762</u>

		Un-audited 31 March 2021	Audited 30 June 2020
		----- Rupees -----	
7.1	Operating fixed assets		
	<u>Cost</u>		
	Opening balance at beginning of the period / year	3,610,253,397	3,528,087,489
	Additions / transfers during the period / year	183,621,576	328,145,650
	Disposals during the period / year	(56,297,603)	(59,480,525)
	Revaluation surplus	-	(186,499,217)
	Closing balance at end of the period / year	<u>3,737,577,370</u>	<u>3,610,253,397</u>
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year	382,348,928	811,508,915
	Depreciation for the period / year	237,186,064	325,560,923
	On disposals	(50,511,905)	(47,729,665)
	Elimination of accumulated depreciation on revaluation	-	(706,991,245)
	Closing balance at end of the period / year	<u>569,023,087</u>	<u>382,348,928</u>
	Operating fixed assets - net book value	<u>3,168,554,283</u>	<u>3,227,904,469</u>
8	Long term investments - related parties		
	<u>Related parties - at cost</u>		
	<i>Farmacia (Partnership firm):</i>		
	Capital held: 98% (30 June 2020: 98%)	8.1	192,828,634
	Managing Partner - Osman Khalid Waheed		182,614,290
	<i>BF Biosciences Limited (unlisted subsidiary):</i>		
	15,199,996 (30 June 2020: 15,199,996) fully paid ordinary shares of Rs. 10 each	8.2	151,999,960
	Equity held: 80% (30 June 2019: 80%)		151,999,960
	Chief Executive Officer - Mrs. Akhter Khalid Waheed		
			<u>344,828,594</u>
			<u>334,614,250</u>
8.1	This represents the Company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail pharmacy.		
8.2	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 2020: 80%) of equity of the subsidiary and the remaining 20% is held by Group Empresarial Bagó S.A., Spain.		
9	Short term investments	<i>Note</i>	
	<u>Investments at fair value through profit or loss</u>		
	Mutual fund	9.2	810,917,022
			357,590,624
9.1	These investments are measured at 'fair value through Profit or Loss'		
	Fair value at 01 July		357,590,624
	Acquisition during the period / year		438,584,112
	Redemption during the period / year		-
	Realized gain on sale of investments during the period / year		954,676
	Unrealized gain on re-measurement of investment during the period / year		14,742,286
	Fair value of investments at 31 March / 30 June	9.1.1	<u>810,917,022</u>
			<u>357,590,624</u>

9.1.1 Mutual fund wise detail is as follows:

	Units		Fair value	
	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020
Number.....	Rupees.....	
HBL Money Market Fund	2,515,356	2,516,176	270,512,267	257,539,370
MCB Cash Management Optimizer Fund	10,939	10,939	1,103,444	1,102,945
HBL Cash Fund	5,307,760	978,434	539,301,311	98,948,309
			810,917,022	357,590,624

9.2 The investments amounting to Rs. 333.33 million are marked under lein against short term borrowing facilities availed by the Company. Further, the gain earned from these investments is under non shariah compliant arrangement.

10 Cash and bank balances

10.1 These include current account of Rs. 0.002 million (30 June 2020: Rs. 0.002 million) maintained under Shariah compliant arrangements.

10.2 These include deposit accounts of Rs. 55.13 million (30 June 2020: Rs. 37.07 million) under mark up arrangements, which carries interest rate of 5.50% to 5.95% (30 June 2020: 6.5% to 11.28%) per annum.

These also include deposit account of Rs. 0.00009 million (30 June 2020: Rs. 0.00007 million) under Shariah compliant arrangements, which carries profit rate of 2.75% to 4.31% (30 June 2020: 3.25% to 7.06) per annum.

11 Revenue - net

Gross sales:

Local
Export

Less:

Sales returns
Discounts
Service charges on sales
Sales tax

(Un-audited) Nine months ended	
31 March 2021	31 March 2020
----- Rupees -----	
4,778,830,510	4,186,244,351
270,108,555	190,424,050
5,048,939,065	4,376,668,401
(36,035,367)	(22,081,321)
(252,155,799)	(252,469,616)
(7,346,276)	(6,132,969)
(4,389,352)	(2,759,840)
(299,926,794)	(283,443,746)
4,749,012,271	4,093,224,655

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

12 Cost of sales

Raw and packing materials consumed
Other manufacturing expenses

Work in process:

Opening
Closing

Cost of goods manufactured

Finished stock:

Opening
Purchases made during the period
Closing

Note

(Un-audited) Nine months ended	
31 March 2021	31 March 2020
----- Rupees -----	
1,047,269,689	871,285,016
651,418,059	552,845,995
1,698,687,748	1,424,131,011
93,642,720	58,928,282
(69,351,308)	(60,110,227)
24,291,412	(1,181,945)
1,722,979,160	1,422,949,066
1,007,744,405	587,932,285
1,021,418,088	1,228,041,773
(971,825,763)	(874,236,714)
1,057,336,730	941,737,344
2,780,315,890	2,364,686,410

12.1 Raw and packing materials consumed

Opening
Purchases made during the period
Closing

539,746,654	370,003,918
1,011,847,084	923,341,324
1,551,593,738	1,293,345,242
(504,324,049)	(422,060,226)
1,047,269,689	871,285,016

13 Transactions with related parties

The Company's related parties include subsidiaries, associated company, entities over which directors are able to exercise influence, staff retirement fund, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Balances with the related parties are shown in respective notes in the unconsolidated financial statements. Other significant transactions with related parties are as follows:

	(Un-audited) Nine months ended	
	31 March 2021	31 March 2020
	----- Rupees -----	
<u>Farmacia - 98% owned subsidiary partnership firm</u>		
Sale of medicines	19,797,783	27,255,269
Payment received against sale of finished goods	19,797,783	27,255,269
Share of profit reinvested	9,965,409	20,068,326
Rentals paid	3,618,276	3,289,338
<u>BF Biosciences Limited - 80% owned subsidiary company</u>		
Sale of finished goods	38,059,699	29,991,396
Payment received against sale of finished goods	38,059,699	29,991,396
Purchase of goods	8,184,658	3,227,700
Payment made against purchase of goods	8,184,658	3,227,700
Expenses incurred	6,545,842	3,725,612
Payment made against expenses re-imbursement	6,545,842	3,725,612
<u>Other related parties</u>		
Contribution towards employees' provident fund	34,095,568	29,330,392
Remuneration including benefits and perquisites of key management personnel	130,245,889	104,702,979
Dividend to KFW Factors (Private) Limited	33,147,768	33,147,768
Dividend to Directors	11,744,908	13,561,688
Fee paid to M/s Khan and Piracha against consultancy	21,000	162,500
Rent paid to Director against office	3,339,600	2,970,000
Donation paid to National Management Foundation	3,000,000	3,000,000

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

	31-Mar-21		31-Mar-20				
	Dividend Payable	Accrued mark-up	Term loan	Total	Dividend Payable	Accrued mark-up	Total
	----- Rupees -----		----- Rupees -----				
Balance as at 01 July	76,964,852	2,509,734	126,000,000	205,474,586	75,156,815	4,432,350	79,589,165
<u>Changes from financing cash flows</u>							
Dividend paid	(117,522,227)	-	-	(117,522,227)	(118,939,327)	-	(118,939,327)
Repayment of term loan	-	-	(42,750,000)	(42,750,000)	-	-	-
Financial charges paid	-	(16,589,376)	-	(16,589,376)	-	(17,234,085)	(17,234,085)
Total changes from financing cash flows	(117,522,227)	(16,589,376)	(42,750,000)	(176,861,603)	(118,939,327)	(17,234,085)	(136,173,412)
<u>Other changes</u>							
Dividend approved	120,747,364	-	-	120,747,364	120,747,364	-	120,747,364
Interest / markup expense	-	17,270,535	-	17,270,535	-	23,557,839	23,557,839
Proceeds of loan during the period	-	-	216,000,000	216,000,000	-	-	-
Total liability related other changes	120,747,364	17,270,535	216,000,000	354,017,899	120,747,364	23,557,839	144,305,203
Balance as at 31 March	80,189,989	3,190,893	299,250,000	382,630,882	76,964,852	10,756,104	87,720,956

15 Financial risk management and fair value of financial instruments

15.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2020.

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

	Carrying Amount		Fair Value				
	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
31 March 2021 (Un-audited)							
Financial assets measured at fair value:	810,917,022	-	-	810,917,022	810,917,022	-	-
<u>Financial assets not measured at fair value</u>							
Long term deposits	-	9,717,325	-	9,717,325	-	-	-
Trade debts - considered good	-	1,387,590,612	-	1,387,590,612	-	-	-
Loans and advances - considered good	-	18,615,169	-	18,615,169	-	-	-
Short term deposits	-	185,363,518	-	185,363,518	-	-	-
Other receivables	-	13,515,936	-	13,515,936	-	-	-
Cash and bank balances	-	153,862,140	-	153,862,140	-	-	-
	-	1,768,664,700	-	1,768,664,700	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Trade and other payables	-	-	1,444,686,899	1,444,686,899	-	-	-
Unclaimed dividend	-	-	80,189,989	80,189,989	-	-	-
Long term loans - secured	-	-	299,250,000	299,250,000	-	-	-
Short term borrowings - secured	-	-	-	-	-	-	-
Accrued mark-up	-	-	3,190,893	3,190,893	-	-	-
	-	-	1,827,317,781	1,827,317,781	-	-	-

	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 -----							
30 June 2020 (Audited)							
Financial assets measured at fair value:	357,590,624	-	-	357,590,624	357,590,624	-	-
<u>Financial assets not measured at fair value</u>							
Long term deposits	-	9,787,325	-	9,787,325	-	-	-
Trade debts - considered good	-	1,026,879,355	-	1,026,879,355	-	-	-
Loans and advances - considered good	-	22,348,497	-	22,348,497	-	-	-
Short term deposits	-	154,982,384	-	154,982,384	-	-	-
Other receivables	-	30,193,425	-	30,193,425	-	-	-
Cash and bank balances	-	99,297,818	-	99,297,818	-	-	-
	-	1,343,488,804	-	1,343,488,804	-	-	-
Financial liabilities measured at fair value:	-	-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Trade and other payables	-	-	1,233,006,121	1,233,006,121	-	-	-
Unclaimed dividend	-	-	76,964,852	76,964,852	-	-	-
Long term loans - secured	-	-	126,000,000	126,000,000	-	-	-
Short term borrowings - secured	-	-	51,017,136	51,017,136	-	-	-
Accrued mark-up	-	-	2,509,734	2,509,734	-	-	-
	-	-	1,489,497,843	1,489,497,843	-	-	-

16 Date of authorization for issue

The Board of Directors of the Company in its meeting held on 26 April 2021 has authorized to issue these condensed interim unconsolidated financial statements.

17 Corresponding figures

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

Chief Executive Officer

Chief Financial Officer

Director

The image features a dark blue silhouette of a person's head and shoulders in profile, facing left. The person's hand is raised to their chin, suggesting a state of deep thought or contemplation. The background is a gradient of light blue to white, with soft, glowing light effects. In the lower right quadrant, there are several thin, white, curved lines and dots, resembling a network or data flow diagram. The overall aesthetic is clean, modern, and professional.

**CONSOLIDATED
FINANCIAL
STATEMENTS**

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 March 2021

	Un-audited 31 March 2021	Audited 30 Jun 2020	Un-audited 31 March 2021	Audited 30 Jun 2020
	----- Rupees -----			
	----- Rupees -----			
EQUITY AND LIABILITIES				
<u>Share capital and reserves</u>				
Authorized share capital 50,000,000 (30 June 2020: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000	3,901,351,202	3,995,871,086
Issued, subscribed and paid up capital	362,242,100	301,868,410	79,371,994	79,371,992
Accumulated profit	5,278,187,160	4,644,626,609	714,483	423,507
Capital reserve	321,843	321,843	14,702,825	14,334,325
Revaluation surplus on property, plant and equipment	1,417,889,135	1,473,713,362	3,996,140,504	4,090,000,910
Equity attributable to owners of the Company	7,058,640,238	6,420,530,224	80,614,496	65,536,483
Non-controlling interests	292,483,878	227,894,083	2,125,870,560	2,049,992,236
	7,351,124,116	6,648,424,307	1,547,529,462	1,092,779,921
<u>Non current liabilities</u>				
Long term loan - secured	435,174,629	95,070,451	60,059,670	66,263,891
Deferred grant	6,200,371	4,679,549	223,581,887	276,619,444
Deferred taxation	411,073,847	426,227,602	27,433,166	38,070,462
	852,448,847	525,977,602	363,060,721	376,107,745
<u>Current liabilities</u>				
Trade and other payables	1,779,024,710	1,527,941,719	621,056,867	151,392,844
Contract liabilities	112,637,054	101,349,654	6,656,593,214	4,877,470,807
Short term borrowings - secured	285,270,771	51,017,136		
Current portion of long term liabilities	188,500,000	33,250,000		
Unclaimed dividend	80,189,989	76,964,852		
Accrued mark-up	3,538,231	2,546,447		
	2,449,160,755	1,793,069,808		
Contingencies and commitments				
	10,652,733,718	8,967,471,717	10,652,733,718	8,967,471,717

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 and quarter ended 31 March 2021

	Note	Nine months ended		Quarter ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
----- Rupees -----					
Revenue - net	10	6,020,708,526	4,636,074,549	2,339,398,643	1,779,223,784
Cost of sales	11	(3,583,672,935)	(2,893,810,406)	(1,468,134,799)	(1,154,372,138)
Gross profit		2,437,035,591	1,742,264,143	871,263,844	624,851,646
Administrative expenses		(333,487,670)	(305,570,830)	(112,726,202)	(97,599,199)
Selling and distribution expenses		(1,065,426,605)	(1,089,686,783)	(368,065,163)	(342,268,517)
Other expenses		(101,127,220)	(47,539,879)	(40,978,864)	(27,457,096)
Other income		144,666,556	98,329,414	76,800,515	11,812,160
Profit from operations		1,081,660,652	397,796,065	426,294,130	169,338,994
Finance costs		(44,033,489)	(24,602,018)	(23,053,025)	(11,987,531)
Profit before taxation		1,037,627,163	373,194,047	403,241,105	157,351,463
Taxation		(215,087,283)	(122,641,685)	(103,128,640)	(56,494,451)
Profit after taxation		822,539,880	250,552,362	300,112,465	100,857,012
Attributable to:					
Owners of the Company		757,950,085	257,782,038	282,804,137	102,906,553
Non-controlling interests		64,589,795	(7,229,676)	17,308,328	(2,049,541)
Profit after taxation		822,539,880	250,552,362	300,112,465	100,857,012
Earnings per share - basic and diluted		20.92	7.12	7.80	2.84
			<i>Re-stated</i>		<i>Re-stated</i>

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 and quarter ended 31 March 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	----- Rupees -----			
Profit after taxation	822,539,880	250,552,362	300,112,465	100,857,012
<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	822,539,880	250,552,362	300,112,465	100,857,012
Attributable to:				
Owners of the Company	757,950,085	257,782,038	282,804,137	102,906,553
Non-controlling interests	64,589,795	(7,229,676)	17,308,328	(2,049,541)
	822,539,880	250,552,362	300,112,465	100,857,012

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 2021

	Attributable to Owners of the Company					Total	Non-controlling interests	Total
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profits	Revenue reserve			
	Rupees							
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: <i>recognized directly in equity</i>								
-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	
Balance as at 01 July 2020	301,868,410	321,843	1,473,713,362	4,644,626,609	6,420,530,224	227,894,083	6,648,424,307	
Total comprehensive income for the period	-	-	-	757,950,085	757,950,085	64,589,795	822,539,880	
Surplus transferred to accumulated profit: -on account of incremental depreciation charged during the period - net of tax	-	-	(56,731,520)	56,731,520	-	-	-	
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	907,293	-	907,293	-	907,293	
Transactions with owners of the Company: <i>recognized directly in equity</i>								
-Final dividend for the year ended 30 June 2020 at Rs. 4 per share	-	-	-	(120,747,364)	(120,747,364)	-	(120,747,364)	
-Issuance of bonus shares at 20%	60,373,690	-	-	(60,373,690)	-	-	-	
	60,373,690	-	-	(181,121,054)	(120,747,364)	-	(120,747,364)	
Balance as at 31 March 2021 - un-audited	362,242,100	321,843	1,417,889,135	5,278,187,160	7,058,640,238	292,483,878	7,351,124,116	

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 Cash Flows (Un-audited)
For the nine months ended 31 March 2021

	Nine months ended	
	31 March 2021	31 March 2020
----- Rupees -----		
<u>Cash flow from operating activities</u>		
Profit before taxation	1,037,627,163	373,194,047
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	298,370,037	281,044,548
Amortisation of intangibles	344,559	435,195
Gain on disposal of property, plant and equipment	(25,341,963)	(22,493,948)
Finance costs	44,033,489	24,602,018
Dividend income	(27,422,966)	(13,792,582)
Gain on re-measurement of short term investments to fair value	(19,626,414)	(32,245,323)
Gain on sale of short term investments	-	(22,636,962)
Profit on bank deposits	(3,539,653)	(4,402,026)
Workers' Profit Participation Fund	58,563,460	21,908,585
Workers' Welfare Fund	24,046,202	6,863,262
Central Research Fund	11,831,002	4,425,977
	361,257,753	243,708,744
Cash generated from operations before working capital changes	1,398,884,916	616,902,791
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(15,078,013)	(13,889,304)
Loans, advances, deposits and prepayments	69,879,074	(97,732,247)
Stock in trade	(75,878,324)	(375,042,473)
Trade debts - considered good	(454,749,541)	(263,636,004)
	(475,826,804)	(750,300,028)
<i>Increase in current liabilities</i>		
Trade and other payables	187,163,827	239,334,285
	187,163,827	239,334,285
Cash generated from operations	1,110,221,939	105,937,048
Taxes paid	(216,286,652)	(206,509,567)
Workers' Profit Participation Fund paid	(3,573,801)	-
Workers' Welfare Fund paid	(8,875,283)	(8,872,286)
Central Research Fund paid	(6,785,079)	(4,487,427)
Long term deposits	(368,500)	(2,701,000)
Net cash generated from operating activities	874,332,624	(116,633,232)
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(210,432,799)	(362,345,243)
Acquisition of intangibles	(635,543)	-
Proceeds from sale of property, plant and equipment	31,924,609	33,604,906
Dividend income	27,422,966	13,792,582
Profit on bank deposits	3,539,653	4,402,026
(Acquisition) / redemption of short term investments - net	(827,052,190)	205,945,514
Net cash used in investing activities	(975,233,304)	(104,600,215)
<u>Cash flow from financing activities</u>		
Finance cost paid	(43,041,705)	(18,204,676)
Proceeds of long term loan	544,000,000	-
Repayment of long term loan	(47,125,000)	-
Dividend paid	(117,522,227)	(118,939,327)
Net cash generated from / (used in) financing activities	336,311,068	(137,144,003)
Net increase / (decrease) in cash and cash equivalents	235,410,388	(358,377,450)
Cash and cash equivalents at the beginning of the period	100,375,708	247,662,659
Cash and cash equivalents at the end of the period	335,786,096	(110,714,791)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	621,056,867	135,415,668
Running finance	(285,270,771)	(246,130,459)
	335,786,096	(110,714,791)

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 2021

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-21	Jun-20
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 2021 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 2020.

3.2.3 Comparative figures of the statement of financial position are extracted from the annual financial statements for the year ended 30 June 2020, 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 nine months period ended 31 March 2020.

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 2020.

3.4 Statement of consistency in accounting policies

3.4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the annual audited consolidated financial statements for the year ended 30 June 2020.

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

4	Long term loan - secured		Un-audited 31 Mar 2021	Audited 30 Jun 2020
		<i>Note</i>	-----Rupees-----	
4.1	Under mark-up arrangements			
	SBP refinance scheme for salaries	4.1.1	435,174,629	95,070,451
	Related government grant portion	4.1.1	<u>6,200,371</u>	<u>4,679,549</u>
			441,375,000	99,750,000
	Other long term loans	4.1.2	<u>300,000,000</u>	-
			741,375,000	99,750,000

4.1.1 The Group obtained term finance facility under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan in order to prevent entities from laying-off employees during COVID-19 outbreak. During the period under review, the Group obtained Rs. 244 million for paying salaries under this scheme. The facility carry mark-up at the rate specified by State Bank of Pakistan plus relevant bank's spread of 2% - 3%. The tenor of this facility is up to 01 October 2022. The loan has been measured at its fair value in accordance with the guidelines of IFRS 9 (Financial Instruments) using effective interest rate. The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan. The facility is secured by first exclusive equitable mortgage charge of 504 million on land and building of head office of the Holding Company and lien on the Group's investments in mutual funds placed in HBL Asset Management Company amounting to Rs. 31.4 million.

4.1.2 To finance the installation of the second production line, the Subsidiary Company "BF Biosciences Limited" has secured term loan facilities from various financial institutions having an aggregate value of Rs. 2,925 million. These facilities carry tenor of up to 10 years (having 2 years of grace period) and an applicable markup rate of up to 3% per annum. These facilities are secured by the first parri passu charge over the present and future fixed and current assets of the Subsidiary Company amounting to Rs. 3,301.33 million and fixed assets of the Holding Company (excluding land and building) amounting to Rs. 457 million. The Holding Company has also issued cross corporate guarantees amounting to Rs. 2,925 million in favour of these financial institutions for securing financing by the Subsidiary Company.

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 consolidated financial statements for the year ended 30 June 2020.

6 Contingencies and commitments

6.1 Contingencies:

There are no contingencies as of the reporting date.

6.2 Commitments

6.2.1 Letter of credits

6.2.1.1 *With conventional financial institutions*

Holding Company

Out of the aggregate facility of Rs. 700 million (2020: Rs. 700 million) for opening letters of credit, the amount utilized as at 31 March 2021 for capital expenditure was Rs. Nil (2020: Rs. 5.05 million) and for other than capital expenditure was Rs. 193.85 million (2020: Rs. 62.95 million). Out of these facilities, Rs. 300 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 Holding Company.

Subsidiary Company

Out of aggregate facility of Rs. 2,740 million (2020: Rs. 565 million) for letter of credits, amount utilized at 31 March 2020 was Rs. 1,872 million (2019: Rs. 247.7 million).

6.2.1.2 *With shariah compliant financial institutions*

Holding Company

The Holding Company has facility i.e. letters of credit of Rs. 200 million (2020: Rs. 200 million) available from Islamic bank. The amount utilized as at 31 March 2021 for capital expenditure was Rs. 19.33 million (2020: Rs. 13.95 million) and for other than capital expenditure was Rs. 121.53 million (2020: Rs. 78.52 million). Lien is also marked over import documents.

6.2.2 **Guarantees issued by banks on behalf of the Company**

6.2.2.1 *With conventional financial institutions*

Holding Company

Out of the aggregate facility of Rs. 375 million (2020: Rs. 375 million) for letter of guarantees (which is the sublimit of running finance and letter of credits), the amount utilized as at 31 March 2021 was Rs. 142.63 million (2020: Rs. 87.49 million).

Subsidiary Company

Out of the aggregate facility of Rs. 60 million (2020: Rs. 60 million) for letter of guarantees, the amount utilized as at 31 March 2021 is Rs. 8.30 million (2020: Rs. 8.30 million).

6.2.2.2 *With shariah compliant financial institutions*

Holding Company

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

		Un-audited 31 Mar 2021	Audited 30 Jun 2020
		-----Rupees-----	
7	Property, plant and equipment		
	Operating fixed assets	3,820,019,903	3,898,409,478
	Capital work-in-progress	81,331,299	97,461,608
		<u>3,901,351,202</u>	<u>3,995,871,086</u>

	Un-audited 31 Mar 2021	Audited 30 Jun 2020
	-----Rupees-----	
7.1 Operating fixed assets		
<u>Cost</u>		
Opening balance at beginning of the period / year	4,333,431,023	4,207,411,283
Additions / transfers during the period / year	226,563,108	333,820,337
Disposals during the period / year	(59,337,685)	(60,814,683)
Revaluation surplus during the period / year	-	(146,985,914)
Closing balance at end of the period / year	<u>4,500,656,446</u>	<u>4,333,431,023</u>
<u>Less: Accumulated depreciation</u>		
Opening balance at beginning of the period / year	435,021,545	1,186,019,897
Depreciation for the period / year	298,370,037	378,938,054
On disposals	(52,755,039)	(49,063,823)
Elimination of accumulated depreciation on revaluation	-	(1,080,872,583)
Closing balance at end of the period / year	<u>680,636,543</u>	<u>435,021,545</u>
Operating fixed assets - net book value	<u><u>3,820,019,903</u></u>	<u><u>3,898,409,478</u></u>

	Un-audited 31 Mar 2021	Audited 30 Jun 2020
	----- Rupees -----	
Note		

8 Short term investments

Investments at fair value through profit or loss - Mutual Funds

Held for trading	8.1	1,607,386,385	760,707,781
		<u>1,607,386,385</u>	<u>760,707,781</u>
8.1 These investments are 'held for trading'			
Carrying value at 01 July		760,707,781	490,830,304
Acquisition during the period/year		827,052,190	548,246,302
Redemption during the period/year		-	(282,199,271)
Realized gain on sale of investment - during the period/year		-	699,063
Unrealized gain on re-measurement of investment - during the period/year		19,626,414	3,131,383
Carrying and fair value of short term investments at 31 March / 30 June	8.1.1	<u>1,607,386,385</u>	<u>760,707,781</u>

	Units		Fair value	
	Un-audited 31 Mar 2021	Audited 30 Jun 2020	Un-audited 31 Mar 2021	Audited 30 Jun 2020
Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	2,812,189	2,589,813	302,424,523	265,076,470
HBL Cash Fund	9,276,184	3,611,640	942,517,826	365,242,589
ABL Cash Fund	31,654,269	10,603,390	323,724,801	107,930,849
MCB Cash Management Optimizer Fund	383,831	222,730	38,719,235	22,457,873
			<u>1,607,386,385</u>	<u>760,707,781</u>

9 Cash and bank balances

9.1 These include current account of Rs. 0.002 (30 June 2020: Rs. 0.002 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 361.41 million (2020: Rs. 48.78 million) under mark up arrangements, which carry interest rates ranging from 5.50 % to 5.95% (2020: 6.50% - 11.28%) per annum.

These also include deposit account of Rs. 0.00009 million (30 June 2020: Rs. 0.00007 million) under Shariah compliant arrangements, which carries profit rate of 2.75% to 4.31% (30 June 2020: 3.25% to 7.06) per annum.

		(Un-audited) Nine months ended	
		31 Mar	31 Mar
		2021	2020
		----- Rupees -----	
10	Revenue - net		
	<i>Gross sales:</i>		
	Local	5,523,320,244	4,781,894,434
	Export	932,003,264	209,078,781
		6,455,323,508	4,990,973,215
	<i>Less:</i>		
	Sales returns	(52,161,713)	(38,116,919)
	Discounts	(354,206,995)	(292,314,904)
	Service charges on sales	(21,956,785)	(17,663,592)
	Sales tax	(6,289,489)	(6,803,251)
		(434,614,982)	(354,898,666)
		6,020,708,526	4,636,074,549

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 Mar	31 Mar
		2021	2020
		----- Rupees -----	
11	Cost of sales		
	Raw and packing materials consumed	1,391,490,569	1,004,876,018
	Other manufacturing expenses	936,393,184	737,011,832
		2,327,883,753	1,741,887,850
	<i>Work in process:</i>		
	Opening	154,578,524	94,961,552
	Closing	(108,729,020)	(77,461,187)
		45,849,504	17,500,365
	Cost of goods manufactured	2,373,733,257	1,759,388,215
	<i>Finished stock:</i>		
	Opening	1,061,511,581	644,180,004
	Purchases made during the period	1,206,317,161	1,413,370,457
	Closing	(1,057,889,064)	(923,128,270)
		1,209,939,678	1,134,422,191
		3,583,672,935	2,893,810,406
11.1	Raw and packing materials consumed		
	Opening	632,241,640	426,791,896
	Purchases made during the period	1,447,734,139	1,096,434,270
		2,079,975,779	1,523,226,166
	Closing	(688,485,210)	(518,350,148)
		1,391,490,569	1,004,876,018

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. Major transactions with related parties during the period are as follows:

	(Un-audited) Nine months ended	
	31 Mar 2021	31 Mar 2020
----- Rupees -----		
Other related parties		
Contribution towards employees' provident fund	39,037,255	33,357,869
Remuneration including benefits and perquisites of key management personnel	177,824,971	147,013,642
Cash dividend paid to KFW Factors (Private) Limited	33,147,768	33,147,768
Cash dividend paid to Directors	11,744,908	13,561,688
Fee paid to M/S Khan and Piracha	1,064,350	162,500
Rent paid to Director against office	3,339,600	2,970,000
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	Unclaimed dividend	Long term loan	Total
----- Rupees -----				
<u>As at 01 July 2020</u>	76,964,852	2,546,447	133,000,000	212,511,299
<u>Changes from financing cash flows</u>				
Dividend paid	(117,522,227)	-	-	(117,522,227)
Repayment of term loan	-	-	(47,125,000)	(47,125,000)
Financial charges paid	-	(43,041,705)	-	(43,041,705)
Total changes from financing cash flows	(117,522,227)	(43,041,705)	(47,125,000)	(207,688,932)
<u>Other changes</u>				
Dividend approved	120,747,364	-	-	120,747,364
Interest / markup expense	-	44,033,489	-	44,033,489
Proceeds of loan during the period	-	-	544,000,000	544,000,000
Total liability related other changes	120,747,364	44,033,489	544,000,000	708,780,853
<u>As at 31 March 2021</u>	80,189,989	3,538,231	629,875,000	713,603,220

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 2020. 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			
	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----						
31 March 2021						
Financial assets measured at fair value:						
Short term investments	-	-	1,607,386,385	1,607,386,385	-	-
Financial assets not measured at fair value:						
Long term deposits	14,702,825	-	14,702,825	-	-	-
Trade debts - considered good	1,547,529,462	-	1,547,529,462	-	-	-
Loans and advances - considered good	21,332,517	-	21,332,517	-	-	-
Short term deposits	215,374,136	-	215,374,136	-	-	-
Other receivables	19,852,607	-	19,852,607	-	-	-
Cash and bank balances	621,056,867	-	621,056,867	-	-	-
	2,439,848,414	-	2,439,848,414	-	-	-
Financial liabilities measured at fair value:						
	-	-	-	-	-	-
Financial liabilities not measured at fair value:						
Trade and other payables	-	1,715,654,256	1,715,654,256	-	-	-
Unclaimed dividend	-	80,189,989	80,189,989	-	-	-
Short term borrowing	-	285,270,771	285,270,771	-	-	-
Accrued mark-up	-	3,538,231	3,538,231	-	-	-
	-	2,084,653,247	2,084,653,247	-	-	-

	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 -----							
30 June 2020							
Financial assets measured at fair value:							
Short term investments	760,707,781	-	-	760,707,781	760,707,781	-	-
Financial assets not measured at fair value:							
Long term deposits	-	14,334,325	-	14,334,325	-	-	-
Trade debts - considered good	-	1,092,779,921	-	1,092,779,921	-	-	-
Loans and advances - considered good	-	26,370,626	-	26,370,626	-	-	-
Short term deposits	-	275,702,195	-	275,702,195	-	-	-
Other receivables	-	30,193,425	-	30,193,425	-	-	-
Cash and bank balances	-	151,392,844	-	151,392,844	-	-	-
	-	1,590,773,336	-	1,590,773,336	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	1,430,004,490	1,430,004,490	-	-	-
Unclaimed dividend	-	-	76,964,852	76,964,852	-	-	-
Short term borrowing	-	-	51,017,136	51,017,136	-	-	-
Accrued mark-up	-	-	2,546,447	2,546,447	-	-	-
	-	-	1,560,532,925	1,560,532,925	-	-	-

15 Date of authorization for issue

The Board of Directors of the Holding Company in its meeting held on 26 April 2021 has authorized to issue these condensed interim consolidated financial statements.

16 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



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