



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
30 SEPTEMBER 2021**



TABLE OF CONTENTS

CORPORATE INFORMATION	03
DIRECTORS' REVIEW REPORT	04
DIRECTORS' REVIEW REPORT (URDU)	07
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS ACCOUNT	11
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	12
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS	14
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION	15
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	26
CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS ACCOUNT	27
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	28
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	29
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	30
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION	31



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 Officer

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

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

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

FACTORY

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

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

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

INTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

HEAD OFFICE

5 K.M - 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

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021

We are pleased to present a brief review of the Company's un-audited Standalone and Consolidated condensed interim financial information for the three months ended 30 September 2021. The consolidated condensed interim financial information incorporates the Company's 98% owned venture Farmacia and 80% owned subsidiary BF Biosciences Limited.

Highlights of the Company's Individual and Consolidated Financial Results

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

	Individual		Consolidated	
	3 Months 30-Sep-21	3 Months 30-Sep-20	3 Months 30-Sep-21	3 Months 30-Sep-20
	(Rupees in thousands)			
Revenue - net	1,693,186	1,290,727	2,223,282	1,509,115
Gross profit	826,433	583,750	1,024,484	621,272
Profit before tax	219,218	159,821	380,664	171,848
Taxation	(58,818)	(49,497)	(79,674)	(53,276)
Profit after tax	160,400	110,324	300,990	118,572

Financial and Operational Review of Ferozsons Laboratories Limited:

During the three months under review, the standalone net sales of the Company grew by 31% over the same period last year. Our in-market generic sales grew by 14%, whereas institutional sales of generics and medical devices increased by 120% over the same period last year.

At the group level, net sales grew by 47% over the same period last year. The higher increase in consolidated net sales represents sales of Remidia Injections (Remdesivir) in local and export markets, produced by our subsidiary company BF Biosciences Limited.

The gross profit (GP) margin of the Company stands at 49% against 45% in the same period last year. The increase in GP margin mainly reflects impact of improvement in the sales mix relating to medical devices.

Selling and distribution expenses grew by 35% during the period under review. The increase primarily represents increase in salaries, travelling and promotional expenses as COVID-related lockdowns eased and field activities resumed.

Other expenses increased by Rs. 84 million, which primarily represents exchange loss due to devaluation of the Pak. Rupee.

Other income increased by Rs. 28 million, mainly due to increased income from investments and share of profit from associated enterprise.

Net profit after tax closed at Rs. 160 million for the three months ended 30 September 2021, depicting a growth of 45% compared to the same period last year.

Based on the net profit for the three months ended 30 September 2021, the earnings per share (EPS)

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021

stands at Rs. 4.43 compared to EPS of Rs. 3.05 in same period last year.

Financial and Operational Review of BF Biosciences Limited (Subsidiary Company):

The net sales of the subsidiary, BF Biosciences Limited closed at Rs. 503 million, compared to Rs. 195 million last year. The increase in sales primarily represents the Remidia Injections (Remdesivir) sales in local and export markets.

The work on our subsidiary's expansion project is progressing and management is confident that the project shall be completed within the budgeted timelines.

Future Outlook

The reduction in COVID cases and ease in lockdown measures by the Government has led to a degree of economic recovery; however, the devaluation of the Rupee together with increase in other input costs will adversely impact the Industry's margins going forward.

As mentioned in the last directors' report, we have launched new products in the fields of diabetes, gastroenterology and medical devices. The results of these new products are promising and we are confident that these will support the Company's bottom line in the medium to long term.

Acknowledgments

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

For and on behalf of the Board

Mr. Osman Khalid Waheed
Chief Executive Officer

Mrs. Akhter Khalid Waheed
Chairperson

دیگر اخراجات میں 84 ملین روپے کا اضافہ ہوا، جو بنیاد طور پر پاکستانی کرنسی کی قدر میں کمی کو ظاہر کرتا ہے۔ دیگر آمدنی میں 28 ملین روپے کا اضافہ ہوا، جو خصوصاً سرمایہ کاری اور شریک کاروبار سے حاصل ہونے والے منافع کی وجہ سے ہے۔ 30 ستمبر 2021 تک ختم ہونے والے 3 ماہ کا ٹیکس ادا کرنے کے بعد منافع 160 ملین روپے ہے جو پچھلے سال کے اسی دورانیے کے مقابلے میں 45 فیصد معاشی ترقی کو ظاہر کرتا ہے۔ 30 ستمبر 2021 تک ختم ہونے والے 3 ماہ کے خالص منافع کی بنیاد پر پچھلے سال کے اسی دورانیے کی فی حصص آمدن 3.05 روپے کے مقابلے میں فی حصص آمدن 4.43 روپے ہے۔

بی ایف بائیوسائنسز (ذیلی کمپنی) کی مالیاتی اور عملیاتی ریویو:

بی ایف سائنسز کے خالص سیل پچھلے سال کی 195 ملین روپے کی سیل کے مقابلے میں 503 ملین روپے رہی۔ سیل میں اضافہ بنیادی طور پر مقامی اور عالمی منڈیوں میں ریمیڈیا یا انجیکشن (Remdesivir) کی سیل کو ظاہر کرتا ہے۔ ہماری ذیلی کمپنی کے توسیعی منصوبے پر کام میں بہتری آرہی ہے اور انتظامیہ منصوبے کو مقرر کردہ بجٹ کے اندر مکمل کرنے کے بارے میں پریقین ہے۔

مستقبل کا نقطہ نظر:

COVID مریضوں میں کمی اور حکومت کی جانب سے احتیاطی تدابیر میں نرمی معاشی بحالی کا باعث بن رہی ہے۔ تاہم پیداواری لاگت میں اضافے کے ساتھ ساتھ روپے کی قدر میں کمی ترقی پذیر انڈسٹری پر بڑی طرح اثر انداز ہوگی۔ جیسا کہ سابقہ ڈائریکٹرز رپورٹ میں بیان کیا گیا تھا، ہم ذیابیطس، گیسٹرو انٹرا لوجی اور طبی آلات کے میدان میں نئی مصنوعات مارکیٹ میں پیش کر چکے ہیں۔ ان نئی مصنوعات کی نتائج خوش کن ہیں اور ہم پر اعتماد ہیں کہ یہ کمپنی کے متوسط المیعا دیا طویل المیعا دخالص منافع کو سپورٹ کریں گی۔

اظہار تشکر:

ہم اس عرصے کے دوران اپنے گاہکوں، فروخت کاروں، ڈسٹری بیوٹروں، شراکت داروں اور بینکوں کی مستقل معاونت پر ان کا شکریہ ادا کرتے ہیں۔ ہم ہر سطح پر ملازمین کے تعاون کی ستائش کا برملا اظہار کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے اور کے لیے

مسز اختر خالد ولید
چیئر پرسن

مسٹر عثمان خالد ولید
چیف ایگزیکٹو آفیسر

30 ستمبر 2021 تک اختتام پذیر ہونے والے تین ماہ کی مجموعی عبوری مالیاتی

معلومات کے بارے میں ڈائریکٹرز کا ریویو

ہم کمپنی کی 30 ستمبر 2021 تک اختتام پذیر ہونے والے تین ماہ کی غیر آڈٹ شدہ آزادانہ عبوری مالیاتی معلومات کا مختصر جائزہ بخوشی پیش کرتے ہیں۔ مجموعی عبوری مالیاتی معلومات میں کمپنی کے 98 فیصد ملکیتی کاروبار فارمیٹیا اور 80 فیصد ذیلی کاروبار بی ایف بائیوسائنسز شامل ہیں۔ کمپنی کے انفرادی اور مجموعی مالیاتی نتائج کی سرخیاں دیئے گئے عرصہ کے مالیاتی نتائج کا خلاصہ ذیل میں پیش ہے:

مجموعی		انفرادی		
3 ماہ	3 ماہ	3 ماہ	3 ماہ	
30 ستمبر 21	30 ستمبر 20	30 ستمبر 21	30 ستمبر 20	
(رقم ہزاروں میں)				
2,223,282	1,509,115	1,693,186	1,290,727	خالص ریویو
1,024,484	621,272	826,433	583,750	کل منافع
380,664	171,848	219,218	159,821	قبل از ٹیکس منافع
(79,674)	(53,276)	(58,818)	(49,497)	ٹیکس
300,990	118,572	160,400	110,324	بعد از ٹیکس منافع

فیروز سنز لیبارٹریز کا مالیاتی اور عملیاتی ریویو:

ریویو کے 3 ماہ کے دوران، پچھلے سال کے اتنے ہی دورانیے میں کمپنی کی خالص سیل 31 فیصد بڑھی۔ ہماری پچھلے سال کے اتنے ہی دورانیے میں مارکیٹ میں عمومی سیل 14 فیصد جبکہ عمومی اور طبی آلات کی ادارہ جاتی سیل 120 فیصد بڑھی۔ کمپنی کی سطح پر پچھلے سال کے اتنے ہی عرصہ میں خالص سیل 47 فیصد بڑھی۔

مجموعی خالص سیل میں اتنا اضافہ ہماری مقامی اور بیرونی منڈیوں میں ریمیڈیا انجکشن (Remdesivir) کی سیل کو ظاہر کرتا ہے جو ہماری ذیلی کمپنی بی ایف بائیوسائنسز نے تیار کیے۔ مجموعی منافع کا مارجن پچھلے سال کے اتنے ہی عرصے میں 45 فیصد کے مقابلے میں 49 فیصد ہوا ہے۔

کل منافع کے مارجن میں اضافہ طبی آلات سے متعلق مگس سیل میں بہتری کے تاثر کو ظاہر کرتا ہے۔ ریویو کے دوران میں فروخت اور ڈسٹری بیوٹن پر اٹھنے والے اخراجات میں 35 فیصد اضافہ ہوا۔ یہ اضافہ بنیادی طور پر تنخواؤں اور سفری و پروموشنل اخراجات کو ظاہر کرتا ہے کیونکہ COVID سے متعلقہ بندشوں میں کمی آئی اور کاروباری سرگرمیاں دوبارہ بحال ہوئیں۔



OUR FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at 30 September 2021

	Un-audited 30 Sep 2021	Audited 30 Jun 2021	Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital			
50,000,000 (30 June 2021: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000	
Issued, subscribed and paid up capital	362,242,100	362,242,100	
Capital reserve	321,843	321,843	
Accumulated profit	4,939,427,839	4,768,388,867	
Revaluation surplus on property, plant and equipment	1,082,738,418	1,093,377,437	
	6,384,730,200	6,224,330,247	
<u>Non current liabilities</u>			
Long term loan - secured	42,243,460	84,040,204	
Deferred grant	474,358	1,459,796	
Deferred taxation	249,060,415	257,929,124	
	291,778,233	343,429,124	
<u>Current liabilities</u>			
Current portion of:			
- Long term loans - secured	166,650,588	165,210,738	
- Current portion of deferred grant	4,381,594	5,789,262	
Trade and other payables	1,690,987,087	1,758,616,108	
Contract liabilities	111,963,457	31,914,992	
Unclaimed dividend	80,021,403	80,049,018	
Accrued mark-up	2,177,681	2,439,282	
	2,056,181,810	2,044,019,400	
Contingencies and commitments			
	8,732,690,243	8,611,778,771	

The annexed notes from 1 to 17 form an integral part of these 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 period ended 30 September 2021

	Note	First Quarter Ended	
		30 Sep 2021	30 Sep 2020
		----- Rupees -----	
Revenue - net	10	1,693,186,215	1,290,726,961
Cost of sales	11	(866,753,209)	(706,977,208)
Gross profit		826,433,006	583,749,753
Administrative expenses		(121,844,633)	(99,990,167)
Selling and distribution expenses		(429,967,799)	(319,513,436)
Other expenses		(97,614,705)	(13,844,121)
Other income		46,052,929	17,839,232
Profit from operations		223,058,798	168,241,261
Finance cost		(3,841,214)	(8,420,166)
Profit before taxation		219,217,584	159,821,095
Taxation	12	(58,817,631)	(49,497,239)
Profit after taxation		160,399,953	110,323,856
Earnings per share - basic and diluted		4.43	<i>Re-Stated</i> 3.05

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

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

For the period ended 30 September 2021

	First Quarter Ended	
	30 Sep 2021	30 Sep 2020
Profit after taxation	160,399,953	110,323,856
<i>Items that will not be reclassified to profit or loss :</i>		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	160,399,953	110,323,856

The annexed notes from 1 to 17 form an integral part of these 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 period ended 30 September 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 2020	301,868,410	321,843	1,135,897,569	4,181,754,531	5,619,842,353
Total comprehensive income for the period	-	-	-	110,323,856	110,323,856
<u>Surplus transferred to accumulated profit:</u> -on account of incremental depreciation charged during the period - net of tax	-	-	(10,595,478)	10,595,478	-
Balance as at 30 September 2020 - unaudited	<u>301,868,410</u>	<u>321,843</u>	<u>1,125,302,091</u>	<u>4,302,673,865</u>	<u>5,730,166,209</u>
Balance as at 01 July 2021	362,242,100	321,843	1,093,377,437	4,768,388,867	6,224,330,247
Total comprehensive income for the period	-	-	-	160,399,953	160,399,953
<u>Surplus transferred to accumulated profit:</u> -on account of incremental depreciation charged during the period - net of tax	-	-	(10,639,019)	10,639,019	-
Balance as at 30 September 2021 - unaudited	<u>362,242,100</u>	<u>321,843</u>	<u>1,082,738,418</u>	<u>4,939,427,839</u>	<u>6,384,730,200</u>

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)
For the period ended 30 September 2021

	First Quarter Ended	
	30 Sep 2021	30 Sep 2020
----- Rupees -----		
<u>Cash flow from operating activities</u>		
Profit before taxation	219,217,584	159,821,095
<i>Adjustments for non-cash and other items</i>		
Depreciation on property, plant and equipment	80,927,936	78,650,441
Amortisation of intangibles	76,320	142,416
Gain on disposal of property, plant and equipment	(10,591,456)	(1,745,992)
Finance cost	3,841,214	8,420,166
Dividend income	(14,690,611)	(1,217,402)
Profit on bank deposits	(905,313)	(366,996)
Gain on re-measurement of short term investments to fair value	(11,310,242)	(4,632,535)
Share in profit of Farmacia	(6,768,300)	(2,981,631)
Workers' Profit Participation Fund	15,683,198	8,596,428
Central Research Fund	3,168,323	1,736,652
Workers' Welfare Fund	4,486,277	3,511,041
	63,917,346	90,112,588
Cash generated from operations before working capital changes	283,134,930	249,933,683
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(942,368)	(1,965,495)
Stock in trade	2,460,600	53,098,613
Trade debts - considered good	23,366,791	(6,154,400)
Loans and advances - considered good	(24,443,463)	(1,097,230)
Deposits and prepayments	(28,452,185)	(22,459,003)
Other receivables	(11,306,432)	(11,133,278)
	(39,317,057)	10,289,207
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(90,966,819)	(383,458,485)
Contract liability	80,048,465	-
Cash generated from operations	232,899,519	(123,235,595)
Taxes paid	(53,233,190)	(56,628,959)
Net cash generated from operating activities	179,666,329	(179,864,554)
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(106,060,389)	(56,902,490)
Acquisition of intangibles	-	(635,544)
Proceeds from sale of property, plant and equipment	13,876,671	1,982,100
Dividend income received	18,344	1,217,402
Profit on bank deposits received	905,313	366,996
Acquisition of short term investments - net	(147,796,410)	(1,021,485)
Net cash used in investing activities	(239,056,471)	(54,993,021)
<u>Cash flow from financing activities</u>		
Proceeds of long term loan	-	189,000,000
Long term loan paid	(42,750,000)	-
Finance cost paid	(4,102,815)	(4,247,769)
Dividend paid	(27,615)	(721,474)
Net cash used in financing activities	(46,880,430)	184,030,757
Net decrease in cash and cash equivalents	(106,270,572)	(50,826,818)
Cash and cash equivalents at the beginning of the period	399,374,281	48,280,682
Cash and cash equivalents at the end of the period	293,103,709	(2,546,136)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	293,103,709	75,631,155
Running finance	-	(78,177,291)
	293,103,709	(2,546,136)

The annexed notes from 1 to 17 form an integral part of these 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 period ended 30 September 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 unconsolidated 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.

2.2 Basis of accounting

2.2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated statement of financial position of the Company, as at 30 September 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 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2021.

2.2.3 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021, whereas comparative unconsolidated profit and loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2020.

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

2.3 Judgements and estimates

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

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 2021.

2.4 Statement of consistency in accounting policies

2.4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2021.

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

Un-audited	Audited
30 Sep	30 Jun
2021	2021
-----Rupees-----	

3 Issued, subscribed and paid up capital

1,441,952 (30 June 2021: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2021: 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
34,662,658 (30 June 2021: 34,662,658) ordinary shares of Rs. 10 each issued as fully paid bonus shares	346,626,580	346,626,580
	362,242,100	362,242,100

KFW Factors (Private) Limited, an associated company holds 9,944,329 (30 June 2021: 9,944,329) ordinary shares of Rs. 10 each of the Company.

4 Long term loan - secured

4.1 Under mark-up arrangements

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. 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. 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 with 25% margin on land and building of head office of the Company.

5 Contingencies and commitments

5.1 Contingencies

There is no change in contingencies as already disclosed at 30 June 2021.

5.2 Commitments

5.2.1 Letter of credits

5.2.1.1 Under mark-up arrangements

Out of the aggregate facility of Rs. 1,150 million (30 June 2021 Rs. 1,150 million) for opening letters of credit, the amount utilized as at 30 September 2021 for capital expenditure was Rs. 79.88 (30 June 2021: Rs. 12.32 million) and for other than capital expenditure was Rs. 176.22 million (30 June 2021: Rs. 160.13 million). These facilities are secured by joint pari passu charge (30 June 2021: joint pari passu charge) over all present and future current assets of the Company.

5.2.1.2 Under shariah compliant arrangements

The Company has facility i.e. letters of credit of Rs. 200 million (30 June 2021: Rs. 200 million) available from Islamic bank. The amount utilized as at 30 September 2021 for capital expenditure was Rs. 0.83 million (30 June 2021: Rs. Nil million) and for other than capital expenditure was Rs. 124.4 million (30 June 2021: Rs. 17.51 million). Lien is also marked over import documents.

5.2.2 Guarantees issued by banks on behalf of the Company

5.2.2.1 Under Mark up arrangements

Out of the aggregate facility of Rs. 425 million (30 June 2021: Rs. 425 million) for letter of guarantees (which is the sublimit of running finance and letter of credits), the amount utilized as at 30 September 2021 was Rs. 190.57 million (30 June 2021: Rs. 224.6 million).

5.2.2.2 Under Shariah compliant arrangements

The Company has facility i.e. letter of guarantee of Rs. 25 million (30 June 2021: Rs. 25 million) available from Islamic bank, the amount utilized at 30 September 2021 was Rs. 6.45 million (30 June 2021: Rs. 6.45 million).

5.2.2.3 Guarantees issued by the Company on behalf of the Subsidiary

The Company has approved cross corporate guarantees in favor of lenders / financial institutions of the subsidiary company up to Rs. 3,500 million for a tenor of 10 years. Out of this approved limit, corporate guarantees amounting to Rs. 2,925 million for a tenor of 10 years have been provided to banks / financial institutions.

		Un-audited	Audited
		30 Sep	30 Jun
		2021	2021
		-----Rupees-----	
6	Property, plant and equipment		
			<i>Note</i>
	Operating fixed assets	3,116,465,652	3,145,198,003
	Capital work-in-progress	152,100,684	101,521,073
		3,268,566,336	3,246,719,076
6.1	Operating fixed assets		
	<u>Cost</u>		
	Opening balance at beginning of the period / year	3,771,507,839	3,610,253,397
	Additions / transfers during the period / year	55,480,789	244,717,715
	Disposals during the period / year	(22,967,685)	(83,463,273)
	Closing balance at end of the period / year	3,804,020,943	3,771,507,839
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year	626,309,836	382,348,928
	Depreciation for the period / year	80,927,936	316,278,265
	On disposals	(19,682,481)	(72,317,357)
	Closing balance at end of the period / year	687,555,291	626,309,836
	Operating fixed assets - net book value	3,116,465,652	3,145,198,003
7	Long term investments		
			<i>Note</i>
	<u>Related parties - at cost:</u>		
	Farmacia (partnership firm)	202,506,777	195,738,477
	BF Biosciences Limited (unlisted subsidiary)	151,999,960	151,999,960
		354,506,737	347,738,437

7.1 This represents the Company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail pharmacy.

7.2 This represents investment made in 15,199,996 (30 June 2021: 15,199,996) ordinary shares of Rs. 10 each, in BF Biosciences Limited. BF Biosciences Limited has been set up for establishing a Biotech Pharmaceutical Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company holds 80% (30 June 2021: 80%) of equity of the subsidiary and the remaining 20% (30 June 2021: 20%) is held by Grupo Empresarial Bagó S.A, Argentina (previously known as Laboratories Bagó S.A., Argentina).

	Un-audited	Audited
	30 Sep	30 Jun
	2021	2021
Note	----- Rupees -----	

8 Short term investments

Investments at fair value through profit or loss

Mutual funds	8.1	1,254,555,168	1,080,776,249
--------------	-----	----------------------	---------------

8.1 These investments are measured at 'fair value through profit or loss'

Fair value at 01 July		1,080,776,249	357,590,624
Acquisition during the period/year		147,796,410	684,291,690
Redemption during the period/year		14,672,267	37,993,202
Unrealized gain on re-measurement of investment - during the period / year		11,310,242	900,733
Fair value of investments at 30 Sep / 30 Jun	8.1.1	1,254,555,168	1,080,776,249

Units		Fair value	
Un-audited	Audited	Un-audited	Audited
30 Sep	30 Jun	30 Sep	30 Jun
2021	2021	2021	2021
.....Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	2,657,148	2,657,148	278,707,694	272,620,435
MCB Cash Management Optimizer Fund	10,939	10,939	1,107,825	1,104,355
HBL Cash Fund	9,579,760	7,974,699	974,739,649	807,051,459
			1,254,555,168	1,080,776,249

8.2 Changes in fair values of financial assets at fair value through profit or loss are recorded in profit or loss account. These investments comprise of mutual funds (money market / income fund).

9 Cash and bank balances

9.1 These include bank accounts of Rs. 5.21 million (30 Jun 2021: Rs. 3.88 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 192.34 million (30 Jun 2021: Rs. 187.67 million) under mark up arrangements, which carry interest rates ranging from 5.50% - 5.76% (30 Jun 2021: 5.50% - 5.51%) per annum.

These also include deposit account of Rs. 0.000092 million (30 Jun 2021: Rs. 0.000092 million) under Shariah compliant arrangements, which carries profit rate from 2.75% - 2.90% (30 Jun 2021: 2.75% - 2.90%) per annum.

10 Revenue - net**Gross sales:**

	(Un-audited) First Quarter Ended	
	30 Sep 2021	30 Sep 2020
	----- Rupees -----	
Local	1,679,455,748	1,217,759,146
Export	106,416,670	95,576,593
	<u>1,785,872,418</u>	<u>1,313,335,739</u>

Less:

Sales returns	(8,712,901)	(17,880,704)
Discounts	(79,885,566)	(2,260,451)
Sales tax	(4,087,736)	(2,467,623)
	<u>(92,686,203)</u>	<u>(22,608,778)</u>
	<u>1,693,186,215</u>	<u>1,290,726,961</u>

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

11 Cost of sales

	(Un-audited) First Quarter Ended	
	30 Sep 2021	30 Sep 2020
	----- Rupees -----	
Raw and packing materials consumed	454,381,381	314,363,676
Other manufacturing expenses	235,562,228	205,690,275
	<u>689,943,609</u>	<u>520,053,951</u>

Work in process:

Opening	90,888,803	93,642,720
Closing	(112,926,017)	(46,372,471)
	<u>(22,037,214)</u>	<u>47,270,249</u>

Cost of goods manufactured**Finished stock:**

Opening	719,606,841	1,007,744,405
Purchases made during the period	279,671,480	71,269,292
Closing	(800,431,507)	(939,360,689)
	<u>198,846,814</u>	<u>139,653,008</u>
	<u>866,753,209</u>	<u>706,977,208</u>

11.1 Raw and packing materials consumed

Opening	584,711,427	539,746,654
Purchases made during the period	517,723,866	423,596,141
	<u>1,102,435,293</u>	<u>963,342,795</u>
Closing	(648,053,912)	(648,979,119)
	<u>454,381,381</u>	<u>314,363,676</u>

12 Taxation**Current**

- For the period	67,686,340	55,174,599
------------------	------------	------------

Deferred

- For the period	(8,868,709)	(5,677,360)
	<u>58,817,631</u>	<u>49,497,239</u>

13 Transactions with related parties

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

	(Un-audited) First Quarter Ended	
	30 Sep 2021	30 Sep 2020
	----- Rupees -----	
<u>Farmacia - 98% owned subsidiary partnership firm</u>		
Sale of medicines	5,436,094	7,815,494
Payment received against sale of finished goods	5,436,094	7,815,494
Share of profit reinvested	6,768,300	2,981,631
Rentals	1,283,904	1,167,183
<u>BF Biosciences Limited - 80% owned subsidiary company</u>		
Sale of finished goods	14,436,475	9,488,577
Payment received against sale of finished goods	14,436,475	9,488,577
Purchase of finished goods	2,676,289	5,052,000
Payment made against purchase of finished goods	2,676,289	5,052,000
Expenses incurred - net	183,135	2,647,604
Payment made against marketing fee and expenses re-imbursement	183,135	2,647,604
<u>Other related parties</u>		
Rent paid to Director against office	1,197,900	1,089,000
Contribution towards employees' provident fund	12,858,206	10,536,410
Remuneration including benefits and perquisites of key management personnel	52,307,289	35,173,292

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

	Unclaimed dividend	Accrued mark-up	Long term loan	Total
	----- Rupees -----			
<u>As at 30 June 2021</u>	80,049,018	2,439,282	256,500,000	338,988,300
<u>Changes from financing cash flows</u>				
Long term loan under SBP refinance scheme - net	-	-	(42,750,000)	(42,750,000)
Finance cost	-	(4,102,815)	-	(4,102,815)
Dividend paid	(27,615)	-	-	(27,615)
Total changes from financing cash flows	(27,615)	(4,102,815)	(42,750,000)	(46,880,430)
<u>Non-cash changes</u>				
Dividend approved	-	-	-	-
Interest / markup expense	-	3,841,214	-	3,841,214
Total non-cash changes	-	3,841,214	-	3,841,214
<u>As at 30 September 2021</u>	80,021,403	2,177,681	213,750,000	295,949,084

15 Financial risk management and financial instruments - fair value

15.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2021.

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 -----							
30 September 2021							
Financial assets measured at fair value:	1,254,555,168	-	-	1,254,555,168	1,254,555,168	-	-
Financial assets not measured at fair value							
Long term deposits and prepayments	-	9,717,325	-	9,717,325	-	-	-
Trade debts - considered good	-	1,290,225,359	-	1,290,225,359	-	-	-
Loans and advances - considered good	-	2,558,739	-	2,558,739	-	-	-
Short term deposits	-	145,217,540	-	145,217,540	-	-	-
Other receivables	-	25,416,744	-	25,416,744	-	-	-
Cash and bank balances	-	293,103,709	-	293,103,709	-	-	-
	-	1,766,239,416	-	1,766,239,416	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	-	1,553,565,901	1,553,565,901	-	-	-
Unclaimed dividend	-	-	80,021,403	80,021,403	-	-	-
Long term loans - secured	-	-	209,368,406	209,368,406	-	-	-
Accrued mark-up	-	-	2,177,681	2,177,681	-	-	-
	-	-	1,845,133,391	1,845,133,391	-	-	-

	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 -----						
	1,080,776,249	-	-	1,080,776,249	1,080,776,249	-	-
	-	9,717,325	-	9,717,325	-	-	-
	-	1,313,592,150	-	1,313,592,150	-	-	-
	-	1,611,544	-	1,611,544	-	-	-
	-	131,140,027	-	131,140,027	-	-	-
	-	14,110,312	-	14,110,312	-	-	-
	-	399,374,281	-	399,374,281	-	-	-
	-	1,869,545,639	-	1,869,545,639	-	-	-
	-	-	-	-	-	-	-

30 June 2021

Financial assets measured at fair value:

Financial assets not measured at fair value

Long term deposits and prepayments
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
Long term loans - secured
Accrued mark-up

16 Subsequent event and date of authorization for issue

The Board of Directors of the Company in its meeting held on 25 October 2021 has authorized to issue these condensed interim unconsolidated financial statements. There are no subsequent events after the reporting date which require disclosure.

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



CONSOLIDATED FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 30 September 2021

	Un-audited 30 Sep 2021	Audited 30 Jun 2021	Un-audited 30 Sep 2021	Audited 30 Jun 2021
	----- Rupees -----		----- Rupees -----	
EQUITY AND LIABILITIES				
<u>Share capital and reserves</u>				
Authorized share capital 50,000,000 (30 June 2021: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000	4,998,092,981	4,792,309,703
Issued, subscribed and paid up capital	362,242,100	362,242,100	79,371,992	79,371,992
Capital reserve	321,843	321,843	561,843	638,172
Accumulated profit	6,004,987,617	5,712,629,125	14,544,325	14,544,325
Revaluation surplus on property, plant and equipment	1,379,115,189	1,398,041,802	5,092,571,141	4,886,864,192
Equity attributable to owners of the Company	7,746,666,749	7,473,234,870		
Non-controlling interests	482,284,155	419,174,160		
	8,228,950,904	7,892,409,030		
<u>Non current liabilities</u>				
Long term loan - secured	1,126,126,540	957,100,775	92,888,447	86,845,985
Deferred grant	286,579,301	174,130,601	2,022,556,639	2,019,922,504
Deferred taxation	418,986,479	415,231,165	1,468,756,741	1,540,081,880
Current liabilities	1,831,692,320	1,546,462,541	88,856,749	68,039,698
Trade and other payables	2,114,421,236	2,168,801,469	186,966,168	159,196,692
Contract liabilities	127,107,650	45,044,966	25,416,744	23,372,821
Current portion of long term liabilities	218,300,015	216,372,103	387,567,924	402,990,063
Unclaimed dividend	80,021,403	80,049,018	2,504,847,980	1,940,494,936
Accrued mark-up	12,209,595	9,178,680	742,274,590	830,509,036
Contingencies and commitments	2,552,059,899	2,519,446,236	7,520,131,982	7,071,453,615
	12,612,703,123	11,958,317,807	12,612,703,123	11,958,317,807

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 period ended 30 September 2021

	Note	First Quarter Ended	
		30 Sep 2021	30 Sep 2020
		----- Rupees -----	
Revenue - net	10	2,223,282,284	1,509,114,615
Cost of sales	11	(1,198,797,940)	(887,843,085)
Gross profit		1,024,484,344	621,271,530
Administrative expenses		(136,219,020)	(112,016,562)
Selling and distribution expenses		(462,665,538)	(336,220,799)
Other expenses		(108,494,121)	(16,064,254)
Other income		90,751,221	26,295,580
Profit from operations		407,856,886	183,265,495
Finance costs		(27,192,799)	(11,417,902)
Profit before taxation		380,664,087	171,847,593
Taxation		(79,674,096)	(53,276,017)
Profit after taxation		300,989,991	118,571,576
<i>Attributable to:</i>			
Owners of the Company		273,431,879	116,765,762
Non-controlling interests		27,558,112	1,805,814
Profit after taxation		300,989,991	118,571,576
Earnings per share - basic and diluted		7.55	<i>Re-stated</i> 3.22

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 period ended 30 September 2021

	First Quarter Ended	
	30 Sep 2021	30 Sep 2020
	----- Rupees -----	
Profit after taxation	300,989,991	118,571,576
<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	300,989,991	118,571,576
Attributable to:		
Owners of the Company	273,431,879	116,765,762
Non-controlling interests	27,558,112	1,805,814
	300,989,991	118,571,576

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 period ended 30 September 2021

	Attributable to Owners of the Company					Total	Non-controlling interests	Total
	Capital reserve		Revenue reserve		Total			
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profits				
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	-	-	-	116,765,762	116,765,762	1,805,814	118,571,576	
<u>Surplus transferred to accumulated profit:</u> -on account of incremental depreciation charged during the period - net of tax	-	-	(18,883,072)	18,883,072	-	-	-	
Balance as at 30 September 2020 - un-audited	<u>301,868,410</u>	<u>321,843</u>	<u>1,454,830,290</u>	<u>4,780,275,443</u>	<u>6,537,295,986</u>	<u>229,699,897</u>	<u>6,766,995,883</u>	
Balance as at 01 July 2021	362,242,100	321,843	1,398,041,802	5,712,629,125	7,473,234,870	419,174,160	7,892,409,030	
Total comprehensive income for the period	-	-	-	273,431,879	273,431,879	27,558,112	300,989,991	
-Profit after taxation	-	-	-	273,431,879	273,431,879	27,558,112	300,989,991	
-Equity reserve pertaining to convertible loan obtained during the period - net of tax	-	-	-	-	-	35,551,883	35,551,883	
<u>Surplus transferred to accumulated profit:</u> -on account of incremental depreciation charged during the period - net of tax	-	-	(18,926,613)	18,926,613	-	-	-	
Balance as at 30 September 2021 - un-audited	<u>362,242,100</u>	<u>321,843</u>	<u>1,379,115,189</u>	<u>6,004,987,617</u>	<u>7,746,666,749</u>	<u>482,284,155</u>	<u>8,228,950,904</u>	

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 period ended 30 September 2021

	First Quarter Ended	
	30 Sep 2021	30 Sep 2020
----- Rupees -----		
<u>Cash flow from operating activities</u>		
Profit before taxation	380,664,087	171,847,593
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	101,306,418	97,919,004
Amortisation of intangibles	76,320	142,416
Gain on disposal of property, plant and equipment	(12,127,689)	(2,107,910)
Finance costs	27,192,799	11,417,902
Dividend income	(31,733,452)	(6,037,194)
Gain on re-measurement of short term investments to fair value	(17,397,949)	(6,986,510)
Profit on bank deposits	(5,391,056)	(583,116)
Workers' Profit Participation Fund	25,018,646	9,999,781
Workers' Welfare Fund	4,144,296	4,044,315
Central Research Fund	5,054,272	2,020,158
	96,142,605	109,828,846
Cash generated from operations before working capital changes	476,806,692	281,676,439
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(6,042,462)	(6,083,975)
Loans, advances, deposits and prepayments	(50,630,450)	46,145,828
Stock in trade	(2,634,135)	(253,084,761)
Trade debts - considered good	71,325,139	(64,258,287)
	12,018,092	(277,281,195)
<i>Increase in current liabilities</i>		
Trade and other payables	(6,534,716)	(424,043,307)
Cash generated from operations	482,290,068	(419,648,063)
Taxes paid	(65,063,421)	(70,253,957)
Net cash generated from operating activities	417,226,647	(489,902,020)
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(310,374,900)	(74,607,183)
Acquisition of intangibles	-	(635,553)
Proceeds from sale of property, plant and equipment	15,412,893	2,682,101
Dividend income	31,733,452	6,037,194
Profit on bank deposits	5,391,056	583,116
Acquisition of short term investments - net	(546,955,095)	(27,824,866)
Net cash used in investing activities	(804,792,594)	(93,765,191)
<u>Cash flow from financing activities</u>		
Finance cost paid	(24,161,884)	(4,965,310)
Proceeds of long term loan - net	323,521,000	210,000,000
Dividend paid	(27,615)	(721,474)
Net cash used in financing activities	299,331,501	204,313,216
Net decrease in cash and cash equivalents	(88,234,446)	(379,353,995)
Cash and cash equivalents at the beginning of the period	830,509,036	100,375,708
Cash and cash equivalents at the end of the period	742,274,590	(278,978,287)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	742,274,590	132,545,416
Running finance	-	(411,523,703)
	742,274,590	(278,978,287)

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 period ended 30 September 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 %	
			Sep-21	Jun-21
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 30 September 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 2021.

3.2.3 Comparative figures of the statement of financial position are extracted from the annual financial statements for the year ended 30 June 2021, 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 un-audited condensed interim consolidated financial information for the three months period ended 30 September 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 2021.

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 2021.

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.

	Un-audited 30 Sep 2021	Audited 30 Jun 2021
	-----Rupees-----	
4 Issued, subscribed and paid up capital		
1,441,952 (30 June 2021: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2021: 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
34,662,658 (30 June 2021: 34,662,658) ordinary shares of Rs. 10 each issued as fully paid bonus shares	346,626,580	346,626,580
	362,242,100	362,242,100

5 Long term loan - secured

There is no change in the sanctioned limits as already disclosed at 30 June 2021.

6 Contingencies and commitments

6.1 Contingencies and commitments

There is no material change in contingencies & commitments as already disclosed at 30 June 2021.

		Un-audited 30 Sep 2021	Audited 30 Jun 2021
		-----Rupees-----	
7 Property, plant and equipment	<i>Note</i>		
Operating fixed assets	7.1	3,738,785,862	3,781,725,552
Capital work-in-progress		1,259,307,119	1,010,584,151
		<u>4,998,092,981</u>	<u>4,792,309,703</u>
7.1 Operating fixed assets			
<u>Cost</u>			
Opening balance at beginning of the period / year		4,537,051,416	4,333,431,023
Additions / transfers during the period / year		61,651,932	293,250,664
Disposals during the period / year		(27,299,027)	(89,630,271)
Closing balance at end of the period / year		4,571,404,321	4,537,051,416
<u>Less: Accumulated depreciation</u>			
Opening balance at beginning of the period / year		755,325,864	435,021,545
Depreciation for the period / year		101,306,418	397,991,735
On disposals		(24,013,823)	(77,687,416)
Closing balance at end of the period / year		832,618,459	755,325,864
Operating fixed assets - net book value		<u>3,738,785,862</u>	<u>3,781,725,552</u>

		Un-audited 30 Sep 2021	Audited 30 Jun 2021
	Note	----- Rupees -----	
8 Short term investments			
<u>Investments at fair value through profit or loss - Mutual Funds</u>			
Held for trading	8.1	2,504,847,980	1,940,494,936
		<u>2,504,847,980</u>	<u>1,940,494,936</u>
8.1 These investments are 'held for trading'			
Carrying value at 01 July		1,940,494,936	760,707,781
Acquisition / redemption during the period/year		547,048,081	1,177,338,511
Realized gain on sale of investment - during the period/year		-	1,114,414
Unrealized gain on re-measurement of investment - during the period/year		17,304,963	1,334,230
Carrying and fair value of short term investments at 30 September / 30 June	8.1.1	<u>2,504,847,980</u>	<u>1,940,494,936</u>

Units		Fair value	
Un-audited 30 Sep 2021	Audited 30 Jun 2021	Un-audited 30 Sep 2021	Audited 30 Jun 2021
.....Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	2,970,895	2,970,895	311,616,557	304,810,536
HBL Cash Fund	17,694,308	13,809,849	1,800,394,098	1,397,577,404
ABL Cash Fund	34,542,858	19,529,031	352,820,794	198,825,080
MCB Cash Management Optimizer Fund	389,087	389,087	40,016,531	39,281,916
			<u>2,504,847,980</u>	<u>1,940,494,936</u>

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. Nil (30 Jun 2021: Realized gain of Rs. 1.11 million) has been recorded in the current period in "other income". 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.

9 Cash and bank balances

9.1 These include current account of Rs.15.61 million (30 June 2021: Rs. 3.88 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 435.67 million (30 June 2021: Rs. 518.62 million) under mark up arrangements, which carry interest rates ranging from 5.50 % to 5.76% (30 June 2021: 5.50% - 5.51%) per annum.

These also include deposit account of Rs. 0.000092 million (30 June 2021: Rs. 0.000092 million) under Shariah compliant arrangements, which carries profit rate of 2.75% to 2.90% (30 June 2021: 2.75% - 2.90%) per annum.

		(Un-audited) First Quarter Ended	
		30 Sep	30 Sep
		2021	2020
		----- Rupees -----	
10	Revenue - net		
	<i>Gross sales:</i>		
	Local	1,943,415,778	1,395,894,609
	Export	434,905,004	160,938,266
		<u>2,378,320,782</u>	<u>1,556,832,875</u>
	<i>Less:</i>		
	Sales returns	(20,092,709)	(19,444,511)
	Discounts and commission	(130,280,294)	(23,191,244)
	Sales tax	(4,665,495)	(5,082,505)
		<u>(155,038,498)</u>	<u>(47,718,260)</u>
		<u>2,223,282,284</u>	<u>1,509,114,615</u>

Note

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

		(Un-audited) First Quarter Ended	
		30 Sep	30 Sep
		2021	2020
		----- Rupees -----	
11	Cost of sales		
	Raw and packing materials consumed	496,171,421	451,980,101
	Other manufacturing expenses	385,934,983	297,032,625
		<u>882,106,404</u>	<u>749,012,726</u>
	<i>Work in process:</i>		
	Opening	222,049,849	154,578,524
	Closing	(164,529,001)	(177,533,517)
		57,520,848	(22,954,993)
	Cost of goods manufactured	<u>939,627,252</u>	<u>726,057,733</u>
	<i>Finished stock:</i>		
	Opening	847,865,891	1,061,511,581
	Purchases made during the period	289,368,899	171,801,723
	Closing	(878,064,102)	(1,071,527,952)
		<u>259,170,688</u>	<u>161,785,352</u>
		<u>1,198,797,940</u>	<u>887,843,085</u>
11.1	Raw and packing materials consumed		
	Opening	676,960,285	633,498,787
	Purchases made during the period	653,736,280	701,799,872
		<u>1,330,696,565</u>	<u>1,335,298,659</u>
	Closing	(834,525,144)	(883,318,558)
		<u>496,171,421</u>	<u>451,980,101</u>

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) First Quarter Ended	
	30 Sep 2021	30 Sep 2020
----- Rupees -----		
Other related parties		
Contribution towards employees' provident fund	14,606,211	12,082,003
Remuneration including benefits and perquisites of key management personnel	71,676,074	45,318,155
Rent paid to Director against office	1,197,900	1,089,000

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

	Unclaimed dividend	Accrued mark-up	Long term loan	Total
----- Rupees -----				
<u>As at 01 July 2021</u>	80,049,018	9,178,680	1,347,603,479	1,436,831,177
<u>Changes from financing cash flows</u>				
Inflows from financing arrangement - net	-	-	323,521,000	323,521,000
Dividend paid	(27,615)	-	-	(27,615)
Financial charges paid	-	(24,161,884)	-	(24,161,884)
Total changes from financing cash flows	(27,615)	(24,161,884)	323,521,000	299,331,501
<u>Other changes</u>				
Dividend approved	-	-	-	-
Adjustment of loan/related components	-	-	(40,118,623)	(40,118,623)
Interest / markup expense	-	27,192,799	-	27,192,799
Total liability related other changes	-	27,192,799	(40,118,623)	(12,925,824)
<u>As at 30 September 2021</u>	80,021,403	12,209,595	1,631,005,856	1,723,236,854

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 2021. 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 -----							
30 September 2021							
Financial assets measured at fair value:							
Short term investments	2,504,847,980	-	-	2,504,847,980	2,504,847,980	-	-
Financial assets not measured at fair value:							
Long term deposits	-	14,544,325	-	14,544,325	-	-	-
Trade debts - considered good	-	1,468,756,741	-	1,468,756,741	-	-	-
Loans and advances - considered good	-	35,973,554	-	35,973,554	-	-	-
Short term deposits	-	171,971,812	-	171,971,812	-	-	-
Other receivables	-	13,969,530	-	13,969,530	-	-	-
Cash and bank balances	-	742,274,590	-	742,274,590	-	-	-
	-	2,447,490,552	-	2,447,490,552	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	2,050,597,039	2,050,597,039	-	-	-
Unclaimed dividend	-	-	80,021,403	80,021,403	-	-	-
Accrued mark-up	-	-	12,209,595	12,209,595	-	-	-
	-	-	2,142,828,037	2,142,828,037	-	-	-

	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 2021							
Financial assets measured at fair value:							
Short term investments	1,940,494,936	-	-	1,940,494,936	1,940,494,936	-	-
Financial assets not measured at fair value:							
Long term deposits	-	14,334,325	-	14,334,325	-	-	-
Trade debts - considered good	-	1,540,081,880	-	1,540,081,880	-	-	-
Loans and advances - considered good	-	1,611,544	-	1,611,544	-	-	-
Short term deposits	-	158,775,702	-	158,775,702	-	-	-
Other receivables	-	5,263,423	-	5,263,423	-	-	-
Cash and bank balances	-	830,509,036	-	830,509,036	-	-	-
	-	2,550,575,910	-	2,550,575,910	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	2,012,301,586	2,012,301,586	-	-	-
Unclaimed dividend	-	-	80,049,018	80,049,018	-	-	-
Accrued mark-up	-	-	9,178,680	9,178,680	-	-	-
	-	-	2,101,529,284	2,101,529,284	-	-	-

15 Subsequent event and date of authorization for issue

The Board of Directors of the Holding Company in its meeting held on 25 October 2021 has authorized to issue these condensed interim consolidated financial statements. There are no subsequent events after the reporting date which require disclosure.

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

www.ferozsons-labs.com

  /ferozsonslabs

