



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
31 MARCH 2022**



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 STATEMENT OF PROFIT OR LOSS	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 STATEMENTS	15
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	27
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS	28
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	29
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	30
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	31
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	32



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Akhter Khalid Waheed	Non-Executive Director	Chairperson
Mr. Osman Khalid Waheed	Executive Director	Chief Executive Officer
Mrs. Amna Piracha Khan	Non-Executive Director	
Mrs. Munize Azhar Peracha	Non-Executive Director	
Mr. Shahid Anwar	Non-Executive Director	
Mr. Arshad Saeed Husain	Independent Director	
Mr. Suleman Ghani	Independent Director	

AUDIT COMMITTEE

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

INVESTMENT COMMITTEE

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

HR & REMUNERATION COMMITTEE

Mr. Arshad Saeed Husain	Chairman
Mr. Osman Khalid Waheed	Member
Mrs. Munize Azhar Peracha	Member
Mr. Shahid Anwar	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 NINE MONTHS ENDED 31 MARCH 2022

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 2022. The consolidated condensed interim financial information incorporates the Company's 80% owned subsidiary BF Biosciences Limited and 98% owned venture Farmacia.

Highlights of the Company's Individual and Consolidated Financial Results

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

Individual				Consolidated			
9 Months 31-Mar-22	9 Months 31-Mar-21	3 Months 31-Mar-22	3 Months 31-Mar-21	9 Months 31-Mar-22	9 Months 31-Mar-21	3 Months 31-Mar-22	3 Months 31-Mar-21

(Rupees in thousands)

Revenue - net	5,675,653	4,756,359	2,173,038	1,911,054	6,951,426	6,042,665	2,554,549	2,348,940
Gross profit	2,631,214	1,976,043	916,591	730,642	3,173,600	2,458,992	1,054,353	880,805
Profit before tax	817,180	710,725	326,742	311,233	1,218,194	1,037,627	395,934	403,241
Profit after tax	586,515	505,271	239,896	216,192	913,370	822,540	290,324	300,112
Earnings per share	16.19	13.95	6.62	5.97	23.41	20.92	7.77	7.80

Financial and Operational Review of Ferozsons Laboratories Limited

The Company's standalone net sales grew by 19% for the nine months and 14% for the third quarter over the same period last year. In-market generic sales have increased by 25%, whereas institutional sales of generics and medical devices increased by 16%.

At the group level, net sales grew by 15% for the nine months and 9% for the third quarter over the same period last year.

The Company's gross profit (GP) margin stands at 46% compared to 42% in the same period last year. In absolute terms, GP grew by 33%. The improvement in GP margin primarily represents a favorable change in the sales mix.

Selling and distribution expenses increased by 36% over the same period last year mainly due to increase in salaries, travelling, conferences and field activities expenses as activities resumed after the easing of COVID related restrictions during the period under review.

Other expenses increased by Rs. 117 million, mainly due to an exchange loss resulting from depreciation of the Pakistani currency. Other income increased by 4%, which primarily represents the net impact of increase in investments income and the decrease in exchange gain booked in the last period.

Profit after taxation (PAT) closed at Rs. 587 million for the nine months and Rs. 240 million for the third quarter under review, depicting a growth of 16% and 11% respectively.

Based on the PAT, the earnings per share (EPS) for the nine months stands at Rs. 16.19 compared to Rs. 13.95 in the same period last year.

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 MARCH 2022

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

The net sales of the subsidiary company BF Biosciences Limited closed at Rs. 1,239 million for the nine months and Rs. 408 million for the third quarter under review, depicting an increase of 2% for the nine months and a decline of 1% for the third quarter over the same period last year.

Future Outlook

We expect that the growth momentum will continue in coming quarters. However, devaluation of Pakistani currency and increase in policy rate by the central bank may adversely impact margins going forward.

Further, the recent COVID lockdown in China has significantly impacted the global supply chain operations. Resultantly, the freight costs have been risen, which will ultimately impact the margins in the short term as well.

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 of Directors

Mr. Osman Khalid Waheed
Chief Executive Officer

Mrs. Akhter Khalid Waheed
Chairperson

گروپ کی سطح پر 9 ماہ میں اجتماعی خالص فروخت میں 15 فیصد اضافہ ہوا اور پچھلے سال میں تیسری سہ ماہی میں 9 فیصد اضافہ ہوا۔ پچھلے سال اسی دورانیے میں 42 فیصد کے مقابلے میں کمپنی کے مجموعی منافع کی کم سے کم حد 46 فیصد پر کھڑی رہی۔ مطلق معنوں میں مجموعی منافع (GP) میں 33 فیصد تک بڑھوتری ہوئی مجموعی منافع کی کم سے کم حد میں بہتری فروخت کے ضمن میں سازگار تبدیلی کو ظاہر کرتی ہے۔ پچھلے سال اسی دورانیے میں فروخت اور تقسیم کے اخراجات میں 36 فیصد اضافہ ہوا جسکی وجہ تنخواؤں میں اضافہ، کووڈ سے متعلقہ پابندیوں میں نرمی کی وجہ سے سفر اور فیلڈ میں سرگرمیوں کی بحالی کی وجہ سے ہونے والے اخراجات ہیں۔ دیگر اخراجات میں 117 ملین کا اضافہ ہوا۔ جس کی بنیادی وجہ پاکستان کرنسی میں تخفیف کی وجہ سے ہونے والے زرببادلہ کا خسارہ ہے۔ دیگر آمدنی میں 4 فیصد اضافہ ہوا جو بنیادی طور پر پچھلے سال میں سرمایہ کاری کی آمدنی میں کل اضافے اور بلنگ کے زرببادلہ میں کمی ہے۔ بعد از ٹیکس منافع 9 ماہ میں 587 ملین روپے پر بند ہوا اور تیسری سہ ماہی میں 240 ملین روپے میں بند ہوا جس سے بالترتیب 16 فیصد اور 11 فیصد بڑھوتری ظاہر ہوتی ہے۔ بعد از ٹیکس منافع کی بنیاد پر پچھلے سال اسی دورانیے میں فی حصص آمدنی 9 ماہ میں 13.95 روپے کے مقابلے میں 16.19 روپے رہی۔

BF بایوسائنسز لمیٹڈ (ماتحت ذیلی کمپنی) کا مالیاتی اور عملیاتی جائزہ

زیر جائزہ 9 ماہ کے لئے BF بایوسائنسز لمیٹڈ کی کل فروخت 1239 ملین روپے پر ختم ہوئی اور تیسری سہ ماہی میں 408 ملین روپے پر ختم ہوئی جس سے ظاہر ہوتا ہے کہ پچھلے سال 9 ماہ میں 2 فیصد اضافہ اور تیسری سہ ماہی میں 1 فیصد کمی ہوئی۔

مستقبل کے امکانات:

ہم یہ توقع کرتے ہیں کہ آنے والی سہ ماہی میں ترقی کی رفتار جاری رہے گی۔ تاہم پاکستانی کرنسی میں کمی اور مرکزی بینک کی طرف سے پالیسی کی شرح میں اضافہ ہمارے منافع پر منفی اثرات ڈال سکتے ہیں۔ مزید برآں چائنہ میں کووڈ کی وجہ سے حالیہ لاک ڈاؤن کی وجہ سے بین الاقوامی سپلائی چین پر اثر ڈالا ہے۔ جس کے نتیجے میں بیرونی لاگتوں میں اضافہ ہوا ہے۔ جو بالآخر مختصر مضمون میں منافع پر اثر انداز ہوگا۔

اظہار تشکر:

ہم اسی دوران مسلسل حمایت کے لئے اپنے صارفین، فروخت کاروں، تقسیم کاروں، کاروباری شراکت داروں اور بینکرز کے شکر گزار ہیں۔ ہم ہر سطح پر اپنے ملازمین کی خدمات کو تحسین کی نگاہ سے دیکھتے ہیں۔

بورڈ آف ڈائریکٹرز کے لئے/ کے نمائندہ کے طور پر

مسز اختر خالد وحید

چیئر پرسن

مسٹر عثمان خالد وحید

چیف ایگزیکٹو آفیسر

درمیانی مدت کی مالیاتی معلومات کے خلاصے پر ڈائریکٹرز کا جائزہ

(31 مارچ 2022 کو نو ماہ کے اختتام پر)

ہم 31 مارچ 2022 کو نو ماہ ختم ہونے پر درمیانی مدت کی غیر آڈٹ شدہ آزادانہ حیثیت میں اور اجتماعی مالیاتی معلومات کے خلاصے پر ایک مختصر جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ اجتماعی درمیانی مدتی مالیاتی معلومات کا خلاصہ کمپنی کی 80 فیصد مالک ماتحت ذیلی کمپنی BF بایوسائنسز لمیٹڈ اور کمپنی کے ذاتی ملکیتی فارمیسیا 98 فیصد ادویاتی کاروبار کا احاطہ کرتا ہے۔

کمپنی کے ذاتی اور اجتماعی مالیاتی نتائج کی نمایاں تفصیل:

اس دورے کے عملیاتی نتائج کا خلاصہ درج ذیل ہے۔

اجتماعی				آزادانہ			
3 ماہ	3 ماہ	9 ماہ	9 ماہ	3 ماہ	3 ماہ	9 ماہ	9 ماہ
31 مارچ 21	31 مارچ 22	31 مارچ 21	31 مارچ 22	31 مارچ 21	31 مارچ 22	31 مارچ 21	31 مارچ 22

(روپے ہزاروں میں)

2,348,940	2,554,549	6,042,665	6,917,426	1,911,054	2,173,038	4,756,359	5,675,653	خالص آمدنی
880,805	1,054,353	2,458,992	3,173,600	730,642	916,591	1,976,043	2,631,214	مجموعی منافع
403,241	395,934	1,037,627	1,218,194	311,233	326,742	710,725	817,180	منافع قبل از ٹیکس
300,112	290,324	822,540	913,370	216,192	239,896	505,271	586,515	منافع بعد از ٹیکس
7.80	7.77	20.92	23.41	5.97	6.62	13.95	16.19	نی فی حصص آمدنی

فیرز سنز لیبارٹریز لمیٹڈ کا مالیاتی اور عملیاتی جائزہ:

پچھلے سال کمپنی کی آزادانہ حیثیت میں کل فروخت میں 9 ماہ میں 19 فیصد اضافہ ہوا اور اسی سال تیسری سہ ماہی میں 14 فیصد اضافہ ہوا۔ مارکیٹ میں جنیرک ادویات کی فروخت میں 25 فیصد اضافہ ہوا۔ جبکہ جنیرک ادویات اور میڈیکل آلات کی اداراجاتی فروخت میں 16 فیصد اضافہ ہوا۔



OUR FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at 31 March 2022

ASSETS	Un-audited 31 March 2022	Audited 30 June 2021
ASSETS		
Non-current assets		
Property, plant and equipment	3,432,200,990	3,246,719,076
Intangible assets	1,143,805	638,163
Long term investments - related parties	369,692,668	347,738,437
Long term deposits	9,717,325	9,717,325
	3,812,754,788	3,604,813,001
Current assets		
Stores, spare parts and loose tools	70,391,763	44,861,806
Stock in trade	2,303,908,281	1,689,956,889
Trade debts	1,072,710,350	1,313,592,150
Loans and advances	140,095,762	47,516,130
Deposits and prepayments	135,766,859	131,561,017
Other receivables	68,750,981	14,110,312
Advance income tax - net	228,981,876	285,216,936
Short term investments	899,860,808	1,080,776,249
Cash and bank balances	162,763,753	399,374,281
	5,083,230,433	5,006,965,770
	8,895,985,221	8,611,778,771
LIABILITIES		
Share capital and reserves		
Authorized share capital	500,000,000	500,000,000
50,000,000 (30 June 2021: 50,000,000) ordinary shares of Rs. 10 each	362,242,100	362,242,100
	321,843	321,843
	5,024,522,216	4,768,388,867
Issued, subscribed and paid up capital	1,061,517,314	1,093,377,437
Capital reserve	6,448,603,473	6,224,330,247
Accumulated profit	-	84,040,204
Revaluation surplus on property, plant and equipment	-	1,459,796
	250,828,380	257,929,124
	250,828,380	343,429,124
Non-current liabilities		
Long term loan - secured	1,686,359,819	1,758,616,108
Deferred grant	58,434,533	31,914,992
Deferred taxation	224,196,386	-
	128,250,000	171,000,000
	92,758,487	80,049,018
	6,554,143	2,439,282
	2,196,553,368	2,044,019,400
Current liabilities		
Trade and other payables	84,040,204	84,040,204
Contract liabilities	-	-
Short term borrowings - secured	1,758,616,108	1,758,616,108
Current portion of long term liabilities	31,914,992	31,914,992
Unclaimed dividend	-	-
Accrued mark-up	171,000,000	171,000,000
	80,049,018	80,049,018
	2,439,282	2,439,282
	2,044,019,400	2,044,019,400
	8,895,985,221	8,611,778,771
	8,895,985,221	8,611,778,771

The annexed notes from 1 to 16 form an integral part of these 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 2022

	Note	Nine months ended		Quarter ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		Rupees		Rupees	
Revenue - net	10	5,675,653,478	4,756,358,547	2,173,037,508	1,911,054,523
Cost of sales	11	(3,044,439,859)	(2,780,315,890)	(1,256,446,298)	(1,180,412,171)
Gross profit		2,631,213,619	1,976,042,657	916,591,210	730,642,352
Administrative expenses		(359,318,613)	(290,577,170)	(118,687,785)	(97,950,208)
Selling and distribution expenses		(1,383,605,842)	(1,015,715,352)	(470,603,560)	(356,221,137)
Other expenses		(182,646,838)	(65,568,962)	(38,491,378)	(28,284,518)
Other income		128,928,361	123,814,797	45,701,633	67,561,893
Profit from operations		834,570,687	727,995,970	334,510,120	315,748,382
Finance cost		(17,391,019)	(17,270,535)	(7,768,487)	(4,515,705)
Profit before taxation		817,179,668	710,725,435	326,741,633	311,232,677
Taxation		(230,664,342)	(205,454,598)	(86,845,319)	(95,040,447)
Profit after taxation		586,515,326	505,270,837	239,896,314	216,192,230
Earnings per share - basic and diluted		16.19	13.95	6.62	5.97

The annexed notes from 1 to 16 form an integral part of these 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 2022

	<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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>----- Rupees -----</u>	<u>----- Rupees -----</u>	<u>----- Rupees -----</u>	<u>----- Rupees -----</u>
Profit after taxation	586,515,326	505,270,837	239,896,314	216,192,230
<i>Items that will not be reclassified to profit or loss</i>				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>586,515,326</u>	<u>505,270,837</u>	<u>239,896,314</u>	<u>216,192,230</u>

The annexed notes from 1 to 16 form an integral part of these 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 2022

	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	-	-	-	505,270,837	-	505,270,837
Surplus transferred to accumulated profit	-	-	(31,868,737)	31,868,737	-	-
- On account of incremental depreciation charged during the period - net of tax						
Effect of change in tax rate on account of surplus on property, plant and equipment			907,293	-	-	907,293
Transactions with owners of the Company, recognized directly in Equity - Distributions						
-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	4,337,773,051	-	6,005,273,119
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	-	-	-	586,515,326	-	586,515,326
Surplus transferred to accumulated profit	-	-	(31,860,123)	31,860,123	-	-
- On account of incremental depreciation charged during the period - net of tax						
Effect of change in tax rate on account of surplus on property, plant and equipment						
Transactions with owners of the Company, recognized directly in Equity - Distributions						
-Final dividend for the year ended 30 June 2021 at Rs. 10 per share	-	-	-	(362,242,100)	-	(362,242,100)
Balance as at 31 March 2022 - unaudited	362,242,100	321,843	1,061,517,314	5,024,522,216	-	6,448,603,473

The annexed notes from 1 to 16 form an integral part of these 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 2022

	Nine months ended	
	31 March 2022	31 March 2021
	----- Rupees -----	
<u>Cash flow from operating activities</u>		
Profit before taxation	817,179,668	710,725,435
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	246,686,377	237,186,064
Amortisation of intangibles	272,168	344,559
Gain on disposal of property, plant and equipment	(23,601,167)	(24,188,845)
Finance cost	17,391,019	17,270,535
Dividend income	(41,519,768)	(10,135,076)
Profit on bank deposits	(3,596,800)	(2,624,152)
Gain on re-measurement of short term investments to fair value	(22,236,279)	(14,742,286)
Gain loss on sale of short term investments	(3,614,169)	-
Share in profit of Farmacia	(21,954,231)	(9,965,409)
Workers' Profit Participation Fund	43,816,585	38,426,573
Central Research Fund	8,851,835	7,762,944
Workers' Welfare Fund	15,335,444	16,394,185
	215,831,014	255,729,092
Cash generated from operations before working capital changes	1,033,010,682	966,454,527
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(25,529,957)	(8,698,092)
Stock in trade	(613,951,392)	29,621,888
Trade debts	240,881,800	(360,711,257)
Loans and advances	(92,579,632)	(4,963,055)
Deposits and prepayments	(4,205,842)	(36,749,374)
Other receivables	(54,640,670)	16,954,308
	(550,025,693)	(364,545,582)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(100,059,963)	213,640,657
	382,925,026	815,549,602
Cash generated from operations	382,925,026	815,549,602
Taxes paid	(181,529,780)	(184,546,014)
Central Research Fund paid	(10,697,660)	(6,134,752)
Workers' Profit Participation Fund paid	(2,982,981)	(367,021)
Long term deposits - net	-	70,000
Net cash generated from operating activities	187,714,605	624,571,815
<u>Cash flow from investing activities</u>		
Fixed capital expenditure incurred	(440,616,429)	(161,642,844)
Proceeds from sale of property, plant and equipment	32,049,052	29,974,518
Dividend income	41,519,768	10,135,076
Profit on bank deposits received	3,596,800	2,624,152
Short term investments - net	206,765,889	(438,584,112)
Net cash used in investing activities	(157,462,730)	(558,128,754)
<u>Cash flow from financing activities</u>		
Finance cost paid	(13,276,158)	(16,589,376)
Long term loan received	-	216,000,000
Long term loan paid	(128,250,000)	(42,750,000)
Dividend paid	(349,532,631)	(117,522,227)
Net cash (used in) / generated from financing activities	(491,058,789)	39,138,397
Net (decrease) / increase in cash and cash equivalents	(460,806,914)	105,581,458
Cash and cash equivalents at beginning of the period	399,374,281	48,280,682
Cash and cash equivalents at end of the period	(61,432,633)	153,862,140
<i>Cash and cash equivalents comprise of the following:</i>		
Cash and bank balances	162,763,753	153,862,140
Running finance	(224,196,386)	-
	(61,432,633)	153,862,140

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

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

For the nine months ended 31 March 2022

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 Pakhtunkhwa.

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 2022 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 2021. 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 2021, whereas comparative unconsolidated statement of 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 2021.

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 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 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 2021.

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 2022 (Number of shares)	Audited 30 June 2021	Un-audited 31 March 2022 (Rupees)	Audited 30 June 2021
<u>Authorised share capital</u>				
Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000,000	500,000,000
<u>Issued, subscribed and paid-up share capital</u>				
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	34,662,658	346,626,580	346,626,580
	36,224,210	36,224,210	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, representing 27.45% (30 June 2021: 27.45%) of the equity held.

4 Short term borrowings - secured

All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual audited financial statements of the Company for the year ended 30 June 2021.

5 Contingencies and commitments

There is no significant change in the status of the contingencies and commitments as reported in the annual audited financial statements of the Company for the year ended 30 June 2021.

		Un-audited 31 March 2022	Audited 30 June 2021
		-----Rupees-----	
6	Property, plant and equipment		
	<i>Note</i>		
	Operating fixed assets	3,045,489,644	3,145,198,003
	Capital work-in-progress	386,711,346	101,521,073
		<u>3,432,200,990</u>	<u>3,246,719,076</u>
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	155,425,892	244,717,715
	Disposals during the period / year	(58,119,488)	(83,463,273)
	Closing balance at end of the period / year	<u>3,868,814,243</u>	<u>3,771,507,839</u>
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year	626,309,836	382,348,928
	Depreciation for the period / year	246,686,377	316,278,265
	On disposals	(49,671,614)	(72,317,357)
	Closing balance at end of the period / year	<u>823,324,599</u>	<u>626,309,836</u>
	Operating fixed assets - net book value	<u>3,045,489,644</u>	<u>3,145,198,003</u>
7	Long term investments - related parties		
	<u>Related parties - at cost</u>		
	<i>Farmacia (Partnership firm):</i>		
	Capital held: 98% (30 June 2021: 98%)	217,692,708	182,614,290
	Managing Partner - Osman Khalid Waheed	7.1	
	<i>BF Biosciences Limited (unlisted subsidiary):</i>		
	15,199,996 (30 June 2021: 15,199,996) fully paid ordinary shares of Rs. 10 each	151,999,960	151,999,960
	Equity held: 80% (30 June 2021: 80%)	7.2	
	Chief Executive Officer - Mrs. Akhter Khalid Waheed		
		<u>369,692,668</u>	<u>334,614,250</u>
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	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% is held by Group Empresarial Bagó S.A., Spain.		

		Un-audited 31 March 2022	Audited 30 June 2021
		----- Rupees -----	
8 Short term investments	<i>Note</i>		
<u>Investments at fair value through profit or loss</u>			
Mutual fund	8.1	899,860,808	1,080,776,249
8.1	These investments are measured at 'fair value through Profit or Loss'		
		1,080,776,249	357,590,624
		(206,765,889)	722,284,892
		3,614,169	-
		22,236,279	900,733
	8.1.1	899,860,808	1,080,776,249

8.1.1 Mutual fund wise detail is as follows:

	Units		Fair value	
	Un-audited 31 March 2022	Audited 30 June 2021	Un-audited 31 March 2022	Audited 30 June 2021
Number.....	Rupees.....	
HBL Money Market Fund	2,657,148	2,657,148	291,601,503	272,620,435
MCB Cash Management Optimizer Fund	10,939	10,939	1,109,225	1,104,355
MCB Pakistan Cash Management Fund	6,822,756	-	344,329,490	-
HBL Cash Fund	2,577,448	7,974,699	262,820,590	807,051,459
			899,860,808	1,080,776,249

8.2 The investments amounting to Rs. 669.89 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.

9 Cash and bank balances

9.1 These include current account of Rs. 0.002 million (30 June 2021: Rs. 3.88 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 3.41 million (30 June 2021: Rs. 187.67 million) under mark up arrangements, which carries interest rate of 5.50% to 8.26% (30 June 2021: 5.50% to 5.51%) per annum.

These also include deposit account of Rs. 0.20 million (30 June 2021: Rs. 0.000092 million) under Shariah compliant arrangements, which carries profit rate of 2.75% to 4.00% (30 June 2021: 2.75% to 2.90%) per annum.

	(Un-audited) Nine months ended	
	31 March 2022	31 March 2021
----- Rupees -----		
10 Revenue - net		
Gross sales:		
Local	5,871,406,531	4,778,830,510
Export	277,945,137	270,108,555
	6,149,351,668	5,048,939,065
Less:		
Sales returns	(116,936,977)	(36,035,367)
Discounts	(356,761,213)	(252,155,799)
Sales tax	-	(4,389,352)
	(473,698,190)	(292,580,518)
	5,675,653,478	4,756,358,547

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

		(Un-audited) Nine months ended	
		31 March 2022	31 March 2021
		----- Rupees -----	
11	Cost of sales		
		<i>Note</i>	
	Raw and packing materials consumed	<i>11.1</i>	1,455,476,040
	Other manufacturing expenses		1,047,269,689
			750,765,831
			2,206,241,871
	<i>Work in process:</i>		1,698,687,748
	Opening		90,888,803
	Closing		93,642,720
			(164,912,299)
			(74,023,496)
	Cost of goods manufactured		24,291,412
			2,132,218,375
	<i>Finished stock:</i>		1,722,979,160
	Opening		719,606,841
	Purchases made during the period		1,007,744,405
	Closing		1,375,193,200
			1,021,418,088
			(1,182,578,557)
			912,221,484
			3,044,439,859
			1,057,336,730
			2,780,315,890
11.1	Raw and packing materials consumed		
	Opening		584,711,427
	Purchases made during the period		539,746,654
			1,630,540,385
			2,215,251,812
			1,551,593,738
	Closing		(759,775,772)
			1,455,476,040
			(504,324,049)
			1,047,269,689

12 Transactions with related parties

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

	(Un-audited) Nine months ended	
	31 March 2022	31 March 2021
	----- Rupees -----	
<u>Farmacia - 98% owned subsidiary partnership firm</u>		
Sale of medicines	20,837,336	19,797,783
Payment received against sale of finished goods	20,837,336	19,797,783
Share of profit reinvested	21,954,232	9,965,409
Rentals paid	3,980,094	3,618,276
<u>BF Biosciences Limited - 80% owned subsidiary company</u>		
Sale of finished goods	105,345,903	38,059,699
Payment received against sale of finished goods	105,345,903	38,059,699
Purchase of goods	7,686,581	8,184,658
Payment made against purchase of goods	7,686,581	8,184,658
Expenses incurred	8,206,441	6,545,842
Payment made against expenses re-imburement	8,206,441	6,545,842
<u>Other related parties</u>		
Contribution towards employees' provident fund	39,585,631	34,095,568
Remuneration including benefits and perquisites of key management personnel	181,670,334	130,245,889
Dividend to KFW Factors (Private) Limited	99,443,290	33,147,768
Dividend to Directors	35,270,710	11,744,908
Fee paid to M/s Khan and Piracha against consultancy	-	21,000
Rent paid to Director against office	3,713,490	3,339,600
Donation paid to National Management Foundation	5,600,000	3,000,000

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

	31-Mar-22			Total
	Unclaimed Dividend	Accrued mark-up	Term loan	
	----- Rupees -----			
Balance as at 01 July	80,049,018	2,439,282	256,500,000	338,988,300
<u>Changes from financing cash flows</u>				
Dividend paid	(349,532,631)	-	-	(349,532,631)
Repayment of term loan	-	-	(128,250,000)	(128,250,000)
Financial charges paid	-	(13,276,158)	-	(13,276,158)
Total changes from financing cash flows	(349,532,631)	(13,276,158)	(128,250,000)	(491,058,789)
<u>Other changes</u>				
Dividend approved	362,242,100	-	-	362,242,100
Interest / markup expense	-	17,391,019	-	17,391,019
Proceeds of loan during the period	-	-	-	-
Total liability related other changes	362,242,100	17,391,019	-	379,633,119
Balance as at 31 March	92,758,487	6,554,143	128,250,000	227,562,630

14 Financial risk management and fair value of financial instruments

14.1 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.

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

	Carrying Amount			Fair Value			
	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
31 March 2022 (Un-audited)							
Financial assets measured at fair value:	899,860,808	-	-	899,860,808	899,860,808	-	-
<u>Financial assets not measured at fair value</u>							
Long term deposits	-	9,717,325	-	9,717,325	-	-	-
Trade debts - considered good	-	1,072,710,350	-	1,072,710,350	-	-	-
Loans and advances - considered good	-	21,647,276	-	21,647,276	-	-	-
Short term deposits	-	128,980,902	-	128,980,902	-	-	-
Other receivables	-	2,979,546	-	2,979,546	-	-	-
Cash and bank balances	-	162,763,753	-	162,763,753	-	-	-
	-	1,398,799,152	-	1,398,799,152	-	-	-

	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	-	-
Long term deposits	-	9,717,325	-	9,717,325	-	-	-
Trade debts - considered good	-	1,313,592,150	-	1,313,592,150	-	-	-
Loans and advances - considered good	-	1,611,544	-	1,611,544	-	-	-
Short term deposits	-	131,140,027	-	131,140,027	-	-	-
Other receivables	-	14,110,312	-	14,110,312	-	-	-
Cash and bank balances	-	399,374,281	-	399,374,281	-	-	-
	-	1,869,545,639	-	1,869,545,639	-	-	-
Financial liabilities measured at fair value:	-	-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Trade and other payables	-	-	1,651,551,592	1,651,551,592	-	-	-
Unclaimed dividend	-	-	80,049,018	80,049,018	-	-	-
Long term loans - secured	-	-	250,710,738	250,710,738	-	-	-
Short term borrowings - secured	-	-	-	-	-	-	-
Accrued mark-up	-	-	2,439,282	2,439,282	-	-	-
	-	-	1,984,750,630	1,984,750,630	-	-	-

30 June 2021 (Audited)

Financial assets measured at fair value:

Financial assets not measured at fair value

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

Financial liabilities measured at fair value:

Financial liabilities not measured at fair value

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

15 Subsequent event and date of authorization for issue

The Board of Directors of the Company in its meeting held on 26 April 2022 has authorized to issue these condensed interim unconsolidated 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.



CONSOLIDATED FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 March 2022

	Un-audited 31 March 2022	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
Accumulated profit	6,255,031,711	5,712,629,125
Capital reserve	321,843	321,843
Revaluation surplus on property, plant and equipment	1,341,318,896	1,398,041,802
Equity attributable to owners of the Company	7,958,914,550	7,473,234,870
Non-controlling interests	523,207,368	419,174,160
	8,482,121,918	7,892,409,030
<u>Non-current liabilities</u>		
Long term loan - secured	1,339,875,927	957,100,775
Deferred grant	221,236,393	174,130,601
Deferred taxation	441,882,774	415,231,165
	2,002,995,094	1,546,462,541
<u>Current liabilities</u>		
Trade and other payables	2,032,742,980	2,168,801,469
Contract liabilities	73,322,916	45,044,966
Short term borrowings - secured	274,910,129	-
Current portion of long term liabilities	193,479,510	216,372,103
Unclaimed dividend	92,758,487	80,049,018
Accrued mark-up	18,076,291	9,178,680
	2,685,290,313	2,519,446,236
Contingencies and commitments		
	13,170,407,325	11,958,317,807
	13,170,407,325	11,958,317,807

Note

7

8

9

4

5

6

ASSETS

Non-current assets

Property, plant and equipment	5,505,193,844	4,792,309,703
Investment property	79,371,992	79,371,992
Intangible assets	1,143,805	638,172
Long term deposits	14,544,325	14,544,325
	5,600,253,966	4,886,864,192

Current assets

Stores, spare parts and loose tools	137,012,678	86,845,985
Stock in trade	2,715,787,161	2,019,922,504
Trade debts	1,198,923,385	1,540,081,880
Loans and advances - considered good	211,909,509	68,039,698
Deposits and prepayments	161,247,811	159,196,692
Other receivables - considered good	68,697,294	23,372,821
Income tax - net	298,385,171	402,990,063
Short term investments	2,396,808,497	1,940,494,936
Cash and bank balances	381,381,853	830,509,036
	7,570,153,359	7,071,453,615

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 2022

	Note	Nine months ended		Quarter ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- Rupees -----					
Revenue - net	10	6,951,426,144	6,042,665,311	2,554,549,457	2,348,939,702
Cost of sales	11	(3,777,825,711)	(3,583,672,935)	(1,500,196,189)	(1,468,134,799)
Gross profit		3,173,600,433	2,458,992,376	1,054,353,268	880,804,903
Administrative expenses		(399,526,820)	(333,487,670)	(127,663,332)	(112,726,202)
Selling and distribution expenses		(1,492,449,282)	(1,087,383,390)	(504,528,953)	(377,606,222)
Other expenses		(201,504,956)	(101,127,220)	(71,525,211)	(40,978,864)
Other income		212,024,524	144,666,556	82,448,584	76,800,515
Profit from operations		1,292,143,899	1,081,660,652	433,084,356	426,294,130
Finance costs		(73,950,311)	(44,033,489)	(37,150,349)	(23,053,025)
Profit before taxation		1,218,193,588	1,037,627,163	395,934,007	403,241,105
Taxation		(304,823,124)	(215,087,283)	(105,610,476)	(103,128,640)
Profit after taxation		913,370,464	822,539,880	290,323,531	300,112,465
Attributable to:					
Owners of the Company		847,921,780	757,950,085	281,322,516	282,804,137
Non-controlling interests		65,448,684	64,589,795	9,001,015	17,308,328
Profit after taxation		913,370,464	822,539,880	290,323,531	300,112,465
Earnings per share - basic and diluted		23.41	20.92	7.77	7.80

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 2022

	Nine months ended		Quarter ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- Rupees -----			
Profit after taxation	913,370,464	822,539,880	290,323,531	300,112,465
<i>Items that will not be reclassified to profit or loss account:</i>				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	913,370,464	822,539,880	290,323,531	300,112,465
Attributable to:				
Owners of the Company	847,921,780	757,950,085	281,322,516	282,804,137
Non-controlling interests	65,448,684	64,589,795	9,001,015	17,308,328
	913,370,464	822,539,880	290,323,531	300,112,465

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 2022

	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			
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:								
Recognized directly in equity								
-Final dividend for the year ended 30 June 2020 at Rs. 4 per share	60,373,690	-	-	(60,373,690)	-	-	-	
-Issuance of bonus shares at 20%	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	
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								
-Profit after taxation	-	-	-	847,921,780	847,921,780	65,448,684	913,370,464	
-Equity reserves pertaining to convertible loan obtained during the period - net of tax	-	-	-	-	-	38,584,524	38,584,524	
Surplus transferred to accumulated profit:								
-on account of incremental depreciation charged during the period - net of tax	-	-	(56,722,906)	56,722,906	-	-	-	
Transactions with owners of the Company:								
Recognized directly in equity								
-Final dividend for the year ended 30 June 2021 at Rs. 10 per share	-	-	-	(362,242,100)	(362,242,100)	-	(362,242,100)	
Balance as at 31 March 2021 - un-audited	362,242,100	321,843	1,341,318,896	6,255,031,711	7,958,914,550	523,207,368	8,482,121,918	

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 2022

	Nine months ended	
	31 March 2022	31 March 2021
----- Rupees -----		
<u>Cash flow from operating activities</u>		
Profit before taxation	1,218,193,588	1,037,627,163
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	310,878,361	298,370,037
Amortisation of intangibles	272,168	344,559
Gain on disposal of property, plant and equipment	(26,755,032)	(25,341,963)
Finance costs	73,950,311	44,033,489
Dividend income	(117,942,850)	(27,422,966)
Gain on re-measurement of short term investments to fair value	(32,347,283)	(19,626,414)
Gain on sale of short term investments	(3,614,169)	-
Profit on bank deposits	(12,382,826)	(3,539,653)
Workers' Profit Participation Fund	67,182,287	58,563,460
Workers' Welfare Fund	19,154,798	24,046,202
Central Research Fund	13,572,179	11,831,002
	291,967,944	361,257,753
Cash generated from operations before working capital changes	1,510,161,532	1,398,884,916
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(50,166,693)	(15,078,013)
Loans, advances, deposits and prepayments	(151,498,003)	69,879,074
Stock in trade	(695,864,657)	(75,878,324)
Trade debts	341,158,495	(454,749,541)
	(556,370,858)	(475,826,804)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(151,261,751)	187,163,827
	(151,261,751)	187,163,827
Cash generated from operations	802,528,923	1,110,221,939
Taxes paid	(221,617,732)	(216,286,652)
Workers' Profit Participation Fund paid	(37,068,260)	(3,573,801)
Workers' Welfare Fund paid	(1,778,484)	(8,875,283)
Central Research Fund paid	(17,581,082)	(6,785,079)
Long term deposits	-	(368,500)
Net cash generated from operating activities	524,483,365	874,332,624
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(1,024,850,037)	(210,432,799)
Acquisition of intangibles	(777,819)	(635,543)
Proceeds from sale of property, plant and equipment	27,842,567	31,924,609
Dividend income	117,942,850	27,422,966
Profit on bank deposits	12,382,826	3,539,653
Acquisition of short term investments - net	(418,193,733)	(827,052,190)
Net cash used in investing activities	(1,285,653,346)	(975,233,304)
<u>Cash flow from financing activities</u>		
Finance cost paid	(65,052,700)	(43,041,705)
Proceeds of long term loan	593,093,000	544,000,000
Repayment of long term loan	(141,375,000)	(47,125,000)
Dividend paid	(349,532,631)	(117,522,227)
Net cash generated from financing activities	37,132,669	336,311,068
Net (decrease) / increase in cash and cash equivalents	(724,037,312)	235,410,388
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	106,471,724	335,786,096
Cash and cash equivalents comprise of the following:		
Cash and bank balances	381,381,853	621,056,867
Running finance	(274,910,129)	(285,270,771)
	106,471,724	335,786,096

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 Statements (Un-audited)

For the nine months ended 31 March 2022

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 Pakhtoonkhwa.

"The Group" consists of the following subsidiaries:

Company / Entity	County of incorporation	Nature of business	Effective holding %	
			Mar-22	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 31 March 2022 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 unaudited condensed interim consolidated financial information for the nine months period ended 31 March 2021.

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.

4 Long term loan - secured

There is no change in the sanctioned limits as already disclosed in the annual consolidated financial statements for the year ended 30 June 2021.

5 Short term borrowings - secured

There were no material 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 2021.

6 Contingencies and commitments

There is no significant change in the status of the contingencies and commitments as reported in the annual audited consolidated financial statements for the year ended 30 June 2021.

		Un-audited 31 Mar 2022	Audited 30 Jun 2021
-----Rupees-----			
7 Property, plant and equipment	<i>Note</i>		
Operating fixed assets	7.1	3,711,079,740	3,781,725,552
Capital work-in-progress		1,794,114,104	1,010,584,151
		5,505,193,844	4,792,309,703
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		241,320,084	293,250,664
Disposals during the period / year		(59,429,468)	(89,630,271)
Closing balance at end of the period / year		4,718,942,032	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		310,878,361	397,991,735
On disposals		(58,341,933)	(77,687,416)
Closing balance at end of the period / year		1,007,862,292	755,325,864
Operating fixed assets - net book value		3,711,079,740	3,781,725,552

		Un-audited 31 Mar 2022	Audited 30 Jun 2021
	Note	----- Rupees -----	
8 Short term investments			
<u>Investments at fair value through profit or loss</u>			
Mutual fund	8.1	<u>2,396,808,497</u>	<u>1,940,494,936</u>
8.1 These investments are measured at 'fair value through Profit or Loss'			
Fair value at 01 July		1,940,494,936	760,707,781
Acquisition during the period / year - net		416,035,357	1,177,338,511
Realized gain on sale of investments during the period / year		3,614,169	1,114,414
Unrealized gain on re-measurement of investment during the period / year		36,664,035	1,334,230
Fair value of investments at 31 March / 30 June	8.1.1	<u>2,396,808,497</u>	<u>1,940,494,936</u>

Units		Fair value	
Un-audited 31 Mar 2022	Audited 30 Jun 2021	Un-audited 31 Mar 2022	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	326,032,826	304,810,536
HBL Cash Fund	10,691,996	13,809,849	1,317,768,333	1,397,577,404
ABL Cash Fund	34,542,858	19,529,031	367,055,305	198,825,080
MCB Pakistan Cash Management Fund	6,822,756	-	344,329,490	-
MCB Cash Management Optimizer Fund	389,087	389,087	41,622,543	39,281,916
			<u>2,396,808,497</u>	<u>1,940,494,936</u>

9 Cash and bank balances

9.1 These include current account of Rs. 5.80 million (30 June 2021: Rs. 3.88 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 7.04 million (30 June 2021: Rs. 518.62 million) under mark up arrangements, which carry interest rates ranging from 5.50% to 8.26% (30 June 2021: 5.50% - 5.51%) per annum.

These also include deposit account of Rs. 0.20 million (30 June 2021: Rs. 0.000092 million) under Shariah compliant arrangements, which carries profit rate of 2.75% to 4.00% (30 June 2021: 2.75% to 2.90%) per annum.

(Un-audited) Nine months ended	
31 Mar	31 Mar
2022	2021
----- Rupees -----	

Note

10 Revenue - net

Gross sales:

Local	6,823,752,810	5,523,320,244
Export	765,773,560	932,003,264
	7,589,526,370	6,455,323,508

Less:

Sales returns	(145,723,265)	(52,161,713)
Discounts	(490,467,211)	(354,206,995)
Sales tax	(1,909,750)	(6,289,489)
	(638,100,226)	(412,658,197)
	6,951,426,144	6,042,665,311

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
2022	2021
----- Rupees -----	

11 Cost of sales

Raw and packing materials consumed	<i>11.1</i>	1,772,186,507	1,391,490,569
Other manufacturing expenses		1,025,812,780	936,393,184
		2,797,999,287	2,327,883,753

Work in process:

Opening		144,369,687	154,578,524
Closing		(244,560,456)	(108,729,020)
		(100,190,769)	45,849,504

Cost of goods manufactured

	2,697,808,518	2,373,733,257
--	----------------------	---------------

Finished stock:

Opening		794,499,368	1,061,511,581
Purchases made during the period		1,550,226,800	1,206,317,161
Closing		(1,264,708,975)	(1,057,889,064)
		1,080,017,193	1,209,939,678
		3,777,825,711	3,583,672,935

11.1 Raw and packing materials consumed

Opening		868,772,234	632,241,640
Purchases made during the period		2,310,693,146	1,447,734,139
		3,179,465,380	2,079,975,779
Closing		(1,407,278,873)	(688,485,210)
		1,772,186,507	1,391,490,569

12 Transactions with related parties

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

	(Un-audited) Nine months ended	
	31 Mar 2022	31 Mar 2021
----- Rupees -----		
Other related parties		
Contribution towards employees' provident fund	45,149,896	39,037,255
Remuneration including benefits and perquisites of key management personnel	229,249,416	177,824,971
Cash dividend paid to KFW Factors (Private) Limited	99,443,290	33,147,768
Cash dividend paid to Directors	35,270,710	11,744,908
Fee paid to M/S Khan and Piracha	-	1,064,350
Rent paid to Director against office	3,713,490	3,339,600
Donation paid to National Management Foundation	6,200,000	3,000,000

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>				
Dividend paid	(349,532,631)	-	-	(349,532,631)
Repayment of term loan	-	-	(141,375,000)	(141,375,000)
Financial charges paid	-	(65,052,700)	-	(65,052,700)
Total changes from financing cash flows	(349,532,631)	(65,052,700)	(141,375,000)	(555,960,331)
<u>Other changes</u>				
Dividend approved	362,242,100	-	-	362,242,100
Interest / markup expense	-	73,950,311	(44,729,649)	29,220,662
Proceeds of loan during the period	-	-	593,093,000	593,093,000
Total liability related other changes	362,242,100	73,950,311	548,363,351	984,555,762
<u>As at 31 March 2022</u>	<u>92,758,487</u>	<u>18,076,291</u>	<u>1,754,591,830</u>	<u>1,865,426,608</u>

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.

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
31 March 2022 (Un-audited)							
Financial assets measured at fair value:							
Short term investments	2,396,808,497	-	-	2,396,808,497	2,396,808,497	-	-
Financial assets not measured at fair value:							
Long term deposits	-	14,544,325	-	14,544,325	-	-	-
Trade debts	-	1,198,923,385	-	1,198,923,385	-	-	-
Loans and advances - considered good	-	24,608,409	-	24,608,409	-	-	-
Short term deposits	-	154,113,155	-	154,113,155	-	-	-
Other receivables - considered good	-	2,979,546	-	2,979,546	-	-	-
Cash and bank balances	-	381,381,853	-	381,381,853	-	-	-
	-	1,776,550,673	-	1,776,550,673	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	1,897,230,218	1,897,230,218	-	-	-
Unclaimed dividend	-	-	92,758,487	92,758,487	-	-	-
Short term borrowing	-	-	274,910,129	274,910,129	-	-	-
Accrued mark-up	-	-	18,076,291	18,076,291	-	-	-
	-	-	2,282,975,125	2,282,975,125	-	-	-

30 June 2021 (Audited)**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	-	14,544,325	-	14,544,325	-	-
Trade debts	-	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 - considered good	-	5,263,423	-	5,263,423	-	-
Cash and bank balances	-	830,509,036	-	830,509,036	-	-
	-	2,550,785,910	-	2,550,785,910	-	-

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 26 April 2022 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



www.ferozsons-labs.com

  /ferozsonslabs

