



FEROZSONS
LABORATORIES LIMITED



35 YEARS
OF TRUST & DEVOTION

**PEOPLE
TRUST
US**

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
31 DECEMBER 2024**



65 YEARS
OF TRUST & DEVOTION

The logo features the number '65' in a large, stylized font. The '6' is light blue with a green cross symbol inside its lower loop. The '5' is orange. To the right of the '5' is the word 'YEARS' in a bold, dark grey sans-serif font, with a small graphic of three birds in flight above the 'S'. Below 'YEARS' is the phrase 'OF TRUST & DEVOTION' in a smaller, dark grey sans-serif font.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Chairperson
Chief Executive 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

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CHIEF FINANCIAL OFFICER

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SHARE REGISTRAR

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HEAD OF INTERNAL AUDIT

Mr. Rizwan Hameed Butt

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EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

INTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

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BANKERS

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank of Punjab - Taqwa
BankIslami Pakistan Limited
Faysal Bank Limited
First Habib Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited

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DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

We are pleased to present a brief review of the Company's un-audited Standalone and Consolidated condensed interim financial information for the half year ended 31 December 2024. The consolidated condensed interim financial information incorporates the Company's 98% owned venture Farmacia and subsidiary BF Biosciences Limited.

Highlights of the Company's Standalone and Consolidated Financial Results

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

Standalone				Consolidated			
6 Months 31-Dec-24	6 Months 31-Dec-23	3 Months 31-Dec-24	3 Months 31-Dec-23	6 Months 31-Dec-24	6 Months 31-Dec-23	3 Months 31-Dec-24	3 Months 31-Dec-23

(Rupees in thousands)

Revenue - net	7,032,685	6,710,878	3,676,106	3,087,911	9,259,937	8,298,818	4,730,951	3,870,277
Gross profit	2,766,703	2,490,130	1,459,865	1,152,836	3,942,718	3,194,276	2,089,716	1,474,929
Profit before tax	413,590	377,971	215,098	74,343	687,799	604,658	327,377	138,444
Profit after tax	252,326	257,054	111,815	76,538	418,571	393,099	177,551	111,630
Earnings per share	5.80	5.91	2.57	1.76	8.53	8.40	3.46	2.34

Financial and Operational Review of Ferozsons Laboratories Limited

The Company's consolidated net sales closed at Rs. 9,260 million, depicting a growth of 12% over the same period last year. On a standalone basis, the Company's net sales closed at Rs. 7,033 million, with a growth of 5% over the same period last year.

In-market generic sales increased by 25% whereas institutional sales of generics and medical devices declined by 24%. The decline in institutional sales is primarily due to medical devices tenders supplied in the same period last year.

The Company's Gross Profit (GP) margin currently stands at 39% compared to 37% during the same period last year. The increase in GP margin primarily reflects change in sales mix along with price increase.

Selling and distribution expenses have been increased by 7% whereas administrative expenses have increased by 18% mainly due to inflationary impact.

Profit from operations grew by 23% while profit after tax decreased by 2%. The decline in profit after tax is mainly attributable to higher finance costs and taxation expenses during the period under review.

Finance costs have increased by 53% mainly due to increase in trade debts along with delays in settlement by the government institutions as cash flow gaps are managed through running finance facilities. These trade debts mainly consist of receivables from government institutions against supplies of medical devices tenders and the Company is actively engaging with these institutions for earliest settlement.

The effective tax rate has closed at 39% compared to 32% during the same period last year mainly due to change in tax regime for export sales by the federal government.

DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The earnings per share (EPS) for the six months ended 31 December 2024 closed at Rs. 5.80, compared to Rs. 5.91 in the same period last year.

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

The sales of the subsidiary Company, BF Biosciences Limited closed at Rs. 2,714 million, compared to Rs. 1,853 million, depicting a growth of 46% over the same period last year. The profit after tax of the Company closed at Rs. 196 million against Rs. 153 million achieved same period last year, depicting an increase of 28%. Based on the profit after tax and weighted average number of shares, the earnings per share (EPS) for the half year ended 31 December 2024 translates to Rs. 2.66 compared with Rs. 2.42 in the same period last year.

Future Outlook

During the second quarter under review, the State Bank of Pakistan reduced the monetary policy rates by 450 basis points. This is a welcoming step that will ultimately help to improve country's economic activity going forward. The reduction will also help the Company to curb rising pressure on its finance costs.

As of balance sheet date, we have approximately Rs. 2.3 billion receivables from Government Institutions. The majority of these receivables are outstanding since last one year and represent supplies made to different government institutions in good faith against tenders. The delay in the recovery of these receivables is unprecedented, and ultimately impacts the industry's ability to maintain further supplies to these institutions.

Acknowledgments

We want to acknowledge the consistent efforts and dedication of our employees towards achievement of the Company's objectives. We also thank our principals, business partners and valued customers for their continuous support and confidence in the Company.

For and on behalf of the Board of Directors

Mr. Osman Khalid Waheed
Chief Executive Officer

Mrs. Akhter Khalid Waheed
Chairperson

28 February 2025

بی ایف بائیو سائنسز لمیٹڈ (ذیلی کمپنی) کا مالیاتی اور آپریشنل جائزہ:

ذیلی کمپنی، بی ایف بائیو سائنسز لمیٹڈ کی فروخت 2,714 ملین روپے رہی، جو پچھلے سال کی اسی مدت میں 1,853 ملین روپے کے مقابلے میں 46% کا اضافہ ظاہر کرتی ہے۔ کمپنی کا بعد از ٹیکس منافع 196 ملین روپے رہا، جبکہ پچھلے سال کی اسی مدت میں یہ 153 ملین روپے تھا، جو 28% کا اضافہ ہے۔ ٹیکس کے بعد منافع اور Weighted Average Shares کی تعداد کی بنیاد پر، چھ ماہ کے دوران جو 31 دسمبر 2024 کو ختم ہوئے، فی حصص آمدنی 2.66 روپے رہی جب کہ پچھلے سال کے اسی عرصے میں یہ 2.42 روپے تھی۔

مستقبل کا نقطہ نظر

جائزہ لینے والے دوسرے سہ ماہی کے دوران، اسٹیٹ بینک آف پاکستان نے مانیٹری پالیسی کی شرح کو 450 بیس پوائنٹس کم کر دیا۔ یہ ایک خوش آئند قدم ہے جو مستقبل میں ملک کی اقتصادی سرگرمیوں کو بہتر بنانے میں مددگار ثابت ہوگا۔ اس کمی سے کمپنی کو اپنے مالیاتی اخراجات پر بڑھتے ہوئے دباؤ کو کم کرنے میں بھی مدد ملے گی۔

سیلنس شیٹ کی تاریخ تک، ہمارے پاس حکومت کے اداروں سے تقریباً 2.3 ارب روپے کی واجب الادا وصولیاں ہیں۔ ان وصولیوں کی اکثریت گزشتہ ایک سال سے واجب الادا ہے اور یہ سپلائرز مختلف حکومتی اداروں کو ٹینڈرز کے تحت اچھی نیت کے ساتھ فراہم کی گئی تھیں۔ ان واجبات کی وصولی میں اس قدر تاخیر کی مثال پہلے کبھی نہیں ملتی، اور اس کا براہ راست اثر صنعت کی کارکردگی پر پڑ رہا ہے۔ اس کا اثر یہ بھی پڑ سکتا ہے کہ صنعت ان اداروں کو مزید سپلائرز فراہم نہ کر پائے۔

اظہار تشکر

ہم اپنے ملازمین کی کوششوں اور محنت کو تسلیم کرنا چاہتے ہیں جو انہوں نے کمپنی کے مقاصد کے حصول کے لیے کی ہیں۔ مزید برآں، ہم اپنے اصولی افراد، کاروباری شراکت داروں اور معزز گاہکوں کا بھی شکریہ ادا کرتے ہیں جو کمپنی میں اپنی مسلسل حمایت اور اعتماد فراہم کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

مسز اختر خالد وحید

چیئر پرسن

جناب عثمان خالد وحید

چیف ایگزیکٹو آفیسر

28 فروری 2025

31 دسمبر 2024 کو اختتام پذیر ہونے والے چھ ماہ کی مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات کے بارے میں ڈائریکٹرز کا جائزہ

ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ ہم نے کمپنی کی غیر آڈٹ شدہ انفرادی اور اجتماعی مختصر عبوری مالی معلومات کا جائزہ تیار کیا ہے، جو 31 دسمبر 2024 کو اختتام پذیر شدہ ماہ کے لیے ہے۔ اس رپورٹ میں ان اعداد و شمار اور مالیاتی پوزیشن کا احاطہ کیا گیا ہے جو اس مدت کے دوران کمپنی کی کارکردگی کو ظاہر کرتی ہے۔ اس مشترکہ مختصر عبوری مالی معلومات میں نہ صرف کمپنی بلکہ کمپنی کی ذیلی کمپنیوں کی مالی کارکردگی بھی شامل ہے، جن میں ہماری 98 فیصد ملکیتی وینچر فارمیسا اور مکمل ملکیت والی ذیلی کمپنی بی ایف ہائیوسائنسز لیمنڈ شامل ہیں۔

کمپنی کے انفرادی اور مجموعی مالیاتی نتائج کی جھلکیاں:

اس مدت کے مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

اجتماعی				انفرادی			
3 مہینے	3 مہینے	6 مہینے	6 مہینے	3 مہینے	3 مہینے	6 مہینے	6 مہینے
2023-دسمبر-31	2024-دسمبر-31	2023-دسمبر-31	2024-دسمبر-31	2023-دسمبر-31	2024-دسمبر-31	2023-دسمبر-31	2024-دسمبر-31

روپے ہزار میں

3,870,277	4,730,951	8,298,818	9,259,937	3,087,911	3,676,106	6,710,878	7,032,685	آمدنی-خالص
1,474,929	2,089,716	3,194,276	3,942,718	1,152,836	1,459,865	2,490,130	2,766,703	مجموعی منافع
138,444	327,377	604,658	687,799	74,343	215,098	377,971	413,590	قبل از ٹیکس منافع
111,630	177,551	393,099	418,571	76,538	111,815	257,054	252,326	ٹیکس
2.34	3.46	8.40	8.53	1.76	2.57	5.91	5.80	بعد از ٹیکس منافع

فیروزسز لیبارٹریز لیمنڈ کا مالیاتی اور آپریشنل جائزہ:

کمپنی کی مشترکہ خالص فروخت 9,260 ملین روپے رہی، جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 12% اضافہ ظاہر کرتی ہے۔ کیلے کمپنی کی خالص فروخت 7,033 ملین روپے رہی، جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 5% اضافہ کو ظاہر کرتی ہے۔

مارکیٹ میں دستیاب جزک مصنوعات کی فروخت میں 25% اضافہ ہوا ہے، جبکہ ادارہ جاتی سطح پر جزک اور طبی آلات کی فروخت میں 24% کی دیکھنے میں آئی ہے۔ ادارہ جاتی فروخت میں کمی کی بنیادی وجہ وہ طبی آلات ہیں جو پچھلے سال کی اسی مدت میں مینڈر کے ذریعے فراہم کیے گئے تھے

کمپنی کا مجموعی منافع (نی پی) مارجن اس وقت 39% ہے، جبکہ پچھلے سال کی اسی مدت میں یہ 37% تھا۔ جی پی مارجن میں یہ اضافہ بنیادی طور پر فروخت کے مرکب میں تبدیلی اور قیمتوں میں اضافے کی عکاسی کرتا ہے۔

فروخت اور تقسیم کے اخراجات میں 7% اضافہ ہوا ہے، جبکہ دیگر اخراجات میں پچھلے سال کی اسی مدت کے مقابلے میں 18% اضافہ ہوا ہے۔

آپریٹنگ سے حاصل ہونے والا منافع 23% بڑھا، لیکن ٹیکس کے بعد منافع میں 2% کمی آئی۔ بعد از ٹیکس منافع میں کمی بنیادی طور پر مالی اخراجات اور ٹیکس کے اخراجات میں اضافے کی وجہ سے ہوئی ہے۔

مالی اخراجات میں 53% کا اضافہ اس بات کی نشاندہی کرتا ہے کہ کمپنی کو زیادہ قرضوں پر سود ادا کرنا پڑا ہے، جو کہ اس وجہ سے ہوا کہ حکومتی اداروں کی طرف سے ادائیگیاں تاخیر سے ہو رہی ہیں۔ اس کے نتیجے میں کمپنی کو کیش فلو کے فرق کو پورا کرنے کے لیے Running Finance کا استعمال کرنا پڑا۔ یہ تجارتی قرضے زیادہ تر ان رقموں پر مشتمل ہیں جو کمپنی کو حکومتی اداروں سے میڈیکل ڈیوائسز کی سپلائی کے بدلے وصول کرتی ہیں۔ کمپنی ان اداروں سے جلدی ادائیگی حاصل کرنے کے لیے مسلسل رابطے میں ہے تاکہ مالی دباؤ کو کم کیا جاسکے اور کاروبار کی مالی صورتحال کو بہتر بنایا جاسکے۔

موثر ٹیکس کی شرح 39% پر بند ہوئی ہے، جب کہ پچھلے سال کے اسی عرصے میں یہ 32% تھی۔ اس اضافے کی بنیادی وجہ وفاقی حکومت کی جانب سے برآمدی فروخت پر ٹیکس کے نظام میں تبدیلی ہے۔

چھ ماہ کے لئے 31 دسمبر 2024 کو ختم ہونے والی کمائی فی شیئر (EPS) 5.80 روپے پر بند ہوئی جو پچھلے سال کے اسی عرصے میں 5.91 روپے تھی۔



OUR FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REVIEW REPORT



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Chartered Accountants
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Lahore 54000 Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ferozsons Laboratories Limited

Report on the Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Ferozsons Laboratories Limited ("the company") as at 31 December 2024 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, condensed interim unconsolidated statement of cash flows and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters


The figures for the quarter ended 31 December 2024, and 31 December 2023, in condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

The engagement partner for the review resulting in this independent auditor's report is Ahsin Tariq.

Lahore

Date: 28 February 2025

UDIN: RR202410119xZjeJ0dYG


KPMG Taseer Hadi & Co.
Chartered Accountants

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at 31 December 2024

	<i>Note</i>	Un-audited 31 December 2024	Audited 30 June 2024
EQUITY AND LIABILITIES		Rupees	
<u>Share capital and reserves</u>			
Authorized share capital		1,500,000,000	1,500,000,000
150,000,000 (2024: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital	3	434,690,520	434,690,520
Capital reserve		321,843	321,843
Revaluation surplus on property, plant and equipment		3,129,660,820	3,212,263,581
Accumulated profit		5,524,719,101	5,320,197,432
		<u>9,089,392,284</u>	<u>8,967,473,376</u>
<u>Non current liabilities</u>			
Long term loans - <i>secured</i>	4	130,155,230	108,927,783
Long term musharaka - <i>secured</i>	5	191,850,356	143,830,767
Deferred grant		41,513,207	44,310,185
Deferred taxation		1,042,410,077	1,116,002,712
		<u>1,405,928,870</u>	<u>1,413,071,447</u>
<u>Current liabilities</u>			
Current portion of:			
- Long term loans - <i>secured</i>	4	18,743,104	15,465,090
- Long term musharaka - <i>secured</i>	5	43,954,070	24,886,380
- Deferred grant		13,797,748	12,761,867
Trade and other payables		2,681,934,870	1,599,172,831
Contract liabilities		217,344,418	306,617,234
Short term borrowings - <i>secured</i>	6	4,518,863,364	2,407,658,889
Unclaimed dividend		100,719,891	96,507,363
Accrued mark-up		104,397,591	172,315,348
		<u>7,699,755,056</u>	<u>4,635,385,002</u>
Contingencies and commitments			
	7	<u>18,195,076,210</u>	<u>15,015,929,825</u>
		<u>18,195,076,210</u>	<u>15,015,929,825</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

ASSETS

Non current assets

Property, plant and equipment	6,632,002,621
Intangible assets	32,010,638
Long term investments - <i>related parties</i>	401,063,555
Long term deposits	9,777,325
	<u>7,019,258,632</u>

Current assets

Stores, spare parts and loose tools	81,711,595
Stock in trade	3,972,815,154
Trade debts	2,199,853,473
Loans and advances	168,870,294
Deposits and prepayments	217,589,696
Other receivables	229,272,945
Advance income tax - <i>net</i>	410,562,458
Short term investments	375,541,979
Cash and bank balances	268,898,922
	<u>11,175,817,578</u>

105,332,519	81,711,595
4,338,651,795	3,972,815,154
2,580,231,777	2,199,853,473
309,707,662	168,870,294
217,589,696	179,210,782
229,272,945	233,838,302
410,562,458	451,860,597
2,667,104,079	375,541,979
317,364,647	268,898,922
	<u>7,932,601,098</u>

105,332,519	81,711,595
4,338,651,795	3,972,815,154
2,580,231,777	2,199,853,473
309,707,662	168,870,294
217,589,696	179,210,782
229,272,945	233,838,302
410,562,458	451,860,597
2,667,104,079	375,541,979
317,364,647	268,898,922
<u>11,175,817,578</u>	<u>7,932,601,098</u>

18,195,076,210	15,015,929,825
<u>18,195,076,210</u>	<u>15,015,929,825</u>

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)
For the half year and quarter ended 31 December 2024

	Note	Half year ended		Quarter ended	
		31 December 2024	31 December 2023 <i>Restated</i>	31 December 2024	31 December 2023 <i>Restated</i>
----- Rupees -----					
Revenue - <i>net</i>	14	7,032,685,165	6,710,877,978	3,676,106,265	3,087,910,727
Cost of sales	15	(4,265,982,079)	(4,220,747,657)	(2,216,241,677)	(1,935,074,651)
Gross profit		2,766,703,086	2,490,130,321	1,459,864,588	1,152,836,076
Administrative expenses		(423,921,230)	(359,531,783)	(218,157,111)	(168,404,942)
Selling and distribution expenses		(1,664,524,241)	(1,551,919,488)	(924,365,157)	(770,773,965)
Other expenses		(64,537,566)	(136,561,384)	(45,048,077)	(110,764,104)
Other income		75,653,704	116,610,353	59,960,413	72,539,859
Profit from operations		689,373,753	558,728,019	332,254,656	175,432,924
Finance cost		(275,783,784)	(180,756,913)	(117,157,036)	(101,089,654)
Profit before income tax, final tax and minimum tax		413,589,969	377,971,106	215,097,620	74,343,270
Minimum tax differential		(13,431,470)	-	(9,451,049)	-
Final tax		-	(5,685,667)	4,801,194	(27,569)
Profit before income tax		400,158,499	372,285,439	210,447,765	74,315,701
Income tax		(147,832,435)	(115,231,896)	(98,632,608)	2,221,878
Profit after taxation		252,326,064	257,053,543	111,815,157	76,537,579
Earnings per share - basic and diluted		5.80	5.91	2.57	1.76

The annexed notes from 1 to 21 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 half year and quarter ended 31 December 2024

	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	----- Rupees -----			
Profit after taxation	252,326,064	257,053,543	111,815,157	76,537,579
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	252,326,064	257,053,543	111,815,157	76,537,579

The annexed notes from 1 to 21 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 half year ended 31 December 2024

	Capital Reserve		Revenue Reserve		Total
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profit	
			Rupees		
Balance as at 01 July 2023	434,690,520	321,843	968,377,365	4,881,302,916	6,284,692,644
Total comprehensive income for the period	-	-	-	257,053,543	257,053,543
<u>Surplus transferred to accumulated profit</u>					
- on account of incremental depreciation charged during the period - net of tax	-	-	(18,045,873)	18,045,873	-
Balance as at 31 December 2023 - unaudited	434,690,520	321,843	950,331,492	5,156,402,332	6,541,746,187
Balance as at 01 July 2024	434,690,520	321,843	3,212,263,581	5,320,197,432	8,967,473,376
Total comprehensive income for the period	-	-	-	252,326,064	252,326,064
<u>Surplus transferred to accumulated profit</u>					
- on account of incremental depreciation charged during the period - net of tax	-	-	(82,602,761)	82,602,761	-
<u>Transactions with owners of the Company, recognized directly in Equity - Distributions</u>					
- final dividend for the year ended 30 June 2024 at Rs. 3 per share	-	-	-	(130,407,156)	(130,407,156)
Balance as at 31 December 2024 - unaudited	434,690,520	321,843	3,129,660,820	5,524,719,101	9,089,392,284

The annexed notes from 1 to 21 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 half year ended 31 December 2024

	Half year ended	
	31 December 2024	31 December 2023 <i>Restated</i>
----- Rupees -----		
<u>Cash flow from operating activities</u>		
Profit after taxation	252,326,064	257,053,543
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	306,252,658	203,598,060
Amortisation of intangible assets	8,474,588	10,248,436
Provision of loss allowance	21,061,750	96,268,345
Gain on disposal of property, plant and equipment	(6,417,824)	(16,005,326)
Finance costs	275,783,784	180,756,913
Gain on re-measurement of short term investments to fair value	(41,545,148)	(34,667,803)
Dividend income	(28,565)	(1,760,021)
Profit on bank deposits	(2,353,106)	(1,819,345)
Share in profit of Farmacia	(13,408,592)	(9,633,314)
Workers' Profit Participation Fund	22,354,596	25,469,358
Central Research Fund	4,516,080	5,145,325
Workers' Welfare Fund	11,147,355	9,678,356
Minimum tax	13,431,470	-
Final tax	-	5,685,667
Income tax	147,832,435	115,231,896
	747,101,481	588,196,547
Cash generated from operations before working capital changes	999,427,545	845,250,090
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(23,620,924)	(16,509,303)
Stock in trade	(365,836,641)	(221,128,611)
Trade debts - considered good	(399,628,819)	(1,206,618,097)
Loans and advances - considered good	(140,837,368)	(302,681,272)
Deposits and prepayments	(40,190,149)	(25,079,147)
Other receivables	4,565,357	(5,184,736)
	(965,548,544)	(1,777,201,166)
<i>(Decrease) / Increase in current liabilities</i>		
Trade and other payables	1,086,621,669	29,338,344
Contract liability	(89,272,816)	29,575,977
	997,348,853	58,914,321
Cash generated from / (used in) operations	1,031,227,854	(873,036,755)
Income tax paid	(180,126,931)	(154,381,273)
Minimum tax paid	(13,431,470)	-
Final tax paid	-	(3,410,284)
Workers' Profit Participation Fund paid	(35,251,527)	(4,097,000)
Central Research Fund paid	(6,626,135)	(2,987,248)
Net cash generated from / (used in) operating activities	795,791,791	(1,037,912,560)
<u>Cash flow from investing activities</u>		
Fixed capital expenditure incurred	(238,505,800)	(170,940,153)
Intangibles acquired	-	(8,287,500)
Proceeds from sale of property, plant and equipment	7,819,740	19,401,906
Dividend income received	28,565	-
Profit on bank deposits received	2,353,107	1,819,345
Short term investments - net	(2,250,016,952)	-
Long term deposits	(144,675)	-
Net cash used in investing activities	(2,478,466,015)	(158,006,402)
<u>Cash flow from financing activities</u>		
Long term loan repaid	(9,629,636)	(20,343,525)
Long term loan received	32,374,000	-
Long term musharaka received	90,002,620	91,192,200
Long term musharaka paid	(22,915,341)	-
Finance cost paid	(343,701,541)	(132,661,492)
Dividend paid	(126,194,628)	(265,619)
Net cash used in financing activities	(380,064,526)	(62,078,436)
Net decrease in cash and cash equivalents	(2,062,738,750)	(1,257,997,398)
Cash and cash equivalents at the beginning of the period	(2,138,759,967)	(517,542,117)
Cash and cash equivalents at the end of the period	(4,201,498,717)	(1,775,539,515)
<i>Cash and cash equivalents comprise of the following</i>		
Cash and bank balances	317,364,647	243,253,007
Short term borrowings - secured	(4,518,863,364)	(2,018,792,522)
	(4,201,498,717)	(1,775,539,515)

The annexed notes from 1 to 21 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 half year ended 31 December 2024

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 Separate financial statements

These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated condensed interim financial statements of the Company are prepared and presented separately.

The Company has following major investments:

<u>Name of the company / firm</u>	<u>Shareholding</u>
- BF Biosciences Limited (Subsidiary)	57.36%
- Farmacia (Partnership)	98%

Ferozsons Laboratories Limited (FLL) holds a significant investment in its subsidiary, BF Biosciences Limited (BF). On October 21, 2024, BF Biosciences was listed on the Pakistan Stock Exchange (PSX) through an Initial Public Offering (IPO). Prior to the IPO, FLL held 80% of the shareholding in BF. As part of the IPO, BF Biosciences issued 25 million shares with a face value of Rs. 3 per share at a strike price of Rs. 77 per share. The total funds raised through the IPO amounted to Rs. 1,925 million, which are primarily intended for the purchase of plant and machinery, acquiring export certifications and to finance working capital requirements.

Following the IPO, Ferozsons Laboratories Limited’s shareholding in BF Biosciences was reduced from 80% to 57.36%

2.2 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;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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.

2.3 Basis of accounting

2.3.1 These condensed interim unconsolidated financial statements comprises the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2024 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.

2.3.2 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 2024. 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.

2.3.3 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 2024, whereas comparative unconsolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from unaudited condensed interim unconsolidated financial statements of the Company for the period ended 31 December 2023.

2.3.4 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.

2.4 Judgements and estimates

In preparing these condensed 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 2024.

2.5 Statement of consistency in accounting policies

2.5.1 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 2024.

2.5.2 Changes in accounting standards, interpretations and pronouncements

The following amendments to published standards are mandatory for the financial year beginning on 1 January 2024 and are relevant to the Company:

Classification of liabilities as current or non-current -Amendments to IAS 1

Non-current Liabilities with Covenants with Amendment to IAS 1

Lease Liability in a Sale and Leaseback Amendment to IFRS 16

Supplier Finance Arrangements Amendments to IAS 7 and IFRS 7

Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

Lack of Exchangeability -Amendments to IAS 21

2.5.3 Restatement in Financial Statements - Change in Accounting policy

2.5.3.1 Classification of taxes and levies

The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum tax and final tax should be classified as 'levies' and not income tax in the unconsolidated statement of profit or loss.

Since, the impact of the said changes is material, per the abovesaid guide and IAS 8 'Accounting policies, changes in accounting estimates and others', the changes are to be applied retrospectively.

Accordingly, the Company has restated its comparative information by reclassifying levies amounting to Rs. nil and Rs. 5.69 million from Income tax to minimum tax and Final tax respectively, in the unconsolidated statement of profit or loss.

In the unconsolidated statement of cashflows, the Income tax paid under the operating activities has been reclassified by Rs. nil million and Rs. 3.4 million to minimum tax paid and final tax paid.

	For the period ended 31 December 2023		
	As previously reported	Adjustments 'Increase / (Decrease)	As restated
	-----Rupees-----		
Statement of profit or loss			
Profit before income tax, final tax and minimum tax	377,971,106	-	377,971,106
Minimum tax differential	-	-	-
Final tax	-	(5,685,667)	(5,685,667)
Profit before income tax	<u>377,971,106</u>	<u>(5,685,667)</u>	<u>372,285,439</u>
Income tax	<u>(120,917,563)</u>	<u>(5,685,667)</u>	<u>(115,231,896)</u>
Profit after taxation	<u>257,053,543</u>	<u>(11,371,334)</u>	<u>257,053,543</u>

	For the period ended 31 December 2023		
	As previously reported	Adjustments 'Increase / (Decrease)	As restated
-----Rupees-----			
Statement of Cash Flows			
<u>Cash flow from Operating Activities</u>			
Income tax paid	(157,791,557)	3,410,284	(154,381,273)
Minimum tax paid	-	-	-
Final tax paid	-	(3,410,284)	(3,410,284)
Other cashflows from operating activities	(880,121,003)	-	(880,121,003)
Net cash used in operating activities	(1,037,912,560)	-	(1,037,912,560)
Cash flow from investing activities			
Net cash generated from investing activities	(158,006,402)	-	(158,006,402)
Cash flow from financing activities			
Net cash used in financing activities	(62,078,436)	-	(62,078,436)
Net decrease in cash and cash equivalents	(1,257,997,398)	-	(1,257,997,398)

2.5.3.2 The impact of aforementioned restatement is not material on unconsolidated statement of financial position as at 01 July 2024 and condensed interim unconsolidated financial position as at 31 December 2024.

2.5.3.3 Profit before taxation has been restated in line with above explained change, however there is no impact on the investing and financing cashflows for the period ended 31 December 2023.

2.5.3.4 There is no impact on earning per share that needs to be disclosed in the condensed interim unconsolidated financial statements.

3 Issued, subscribed and paid-up capital

	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024
	(Number of shares)		(Rupees)	
<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	41,907,500	41,907,500	419,075,000	419,075,000
	43,469,052	43,469,052	434,690,520	434,690,520

KFW Factors (Private) Limited, an associated company holds 11,933,194 (30 June 2024: 11,933,194) ordinary shares of Rs. 10 each of the Company, representing 27.45% (30 June 2024: 27.45%) of the equity held.

		Un-audited 31 December 2024	Audited 30 June 2024
4 Long term loan - secured	<i>Note</i>	-----Rupees-----	
Allied Bank Limited - SBP LTFF Renewable Energy	4.1	96,296,289	105,925,925
Faysal Bank Limited - SBP Islamic Renewable Energy Finance Scheme	4.2	107,913,000	75,539,000
		204,209,289	181,464,925
Less:			
Unamortized Deferred Grant		(55,310,955)	(57,072,052)
		148,898,334	124,392,873
Current portion of long term loans		(18,743,104)	(15,465,090)
		130,155,230	108,927,783

4.1 This represents term finance facility obtained under "SBP Finance Scheme for Renewable Energy" introduced by Government of Pakistan in order to finance the installation / commissioning of solar power system. This loan carries the fixed markup rate of 6% (SBP rate of 2% + bank's spread of 4% per annum). The principal amount is payable in twenty-seven equal quarterly installments. During the period, the Company has made repayments amounting to Rs. 9.63 million.

4.2 This represents term finance facility obtained under "SBP Islamic Renewable Energy Finance Scheme" introduced by Government of Pakistan in order to Finance installation of Solar Power Plant of 1MW. This loan carries the SBP's IFRE rate of 2% + bank's spread of 4.00% per annum.

		Un-audited 31 December 2024	Audited 30 June 2024
5 Long term musharaka - secured	<i>Note</i>	-----Rupees-----	
<u>Islamic mode of financing</u>			
First Habib Modaraba - Financial Institution	5.1	235,804,426	168,717,147
Total		235,804,426	168,717,147
Current portion of musharaka		(43,954,070)	(24,886,380)
Non current portion		191,850,356	143,830,767

5.1 This represents financing facility obtained under "Diminishing Musharaka" from First Habib Modaraba for the purpose of purchase of vehicles. During the period, the Company has made repayments amounting to Rs. 22.92 million which includes down payment amounting to Rs. 9 million.

6 Short term borrowings - secured

All terms and conditions applicable to short-term borrowings remain the same as those disclosed in the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2024, except for the new short-term loans obtained during the period under Shariah-compliant arrangements and mark-up arrangements, amounting to Rs. 3,000 million and Rs. 1,229 million, respectively. These short-term loans carry a profit/mark-up ranging from KIBOR minus 3% to KIBOR minus 2.75%.

7 Contingencies and commitments

7.1 Contingencies

There is no significant change in the status of the contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2024.

7.2 Commitments

7.2 Letter of credits

7.2.1 Under Mark up arrangements

Out of the aggregate facility of Rs. 3,550 million (30 June 2024: Rs. 3,400 million) for opening letters of credit, the amount utilized as at 31 December 2024 for capital expenditure was Rs. Nil (30 June 2024: Nil) and for other than capital expenditure was Rs. 369.49 million (30 June 2024: Rs. 282.84 million). These facilities are secured by either joint pari passu charge over present and future current assets of the Company with 25% margin over plant and machinery, joint pari passu charge over present and future current assets of the Company with 25% margin, lien on investments of the Company placed with HBL mutual funds or lien over the import documents (30 June 2024: either joint pari passu charge over present and future current assets of the Company with 25% margin over plant and machinery, joint pari passu charge over present and future current assets of the Company with 25% margin, lien on investments of the Company placed with HBL mutual funds or lien over the import documents).

7.2.2 Under Shariah compliant arrangements

The Company have facilities i.e. letters of credit of Rs. 2,500 million (30 June 2024: Rs. 1,850 million) available from Islamic banks. The amount utilized as at 31 December 2024 for capital expenditure was Rs. Nil (30 June 2024: Rs. Nil) and for other than capital expenditure was Rs. 98.49 million (30 June 2024: Rs. 157.45 million). These facilities are secured by either joint pari passu charge over all present and future current assets and plant and machinery of the Company with 25% margin, joint pari passu charge over all present and future current asset of the Company with 25% margin, or lien over import documents (30 June 2024: either joint pari passu charge over all present and future current assets and plant and machinery of the Company with 25% margin, joint pari passu charge over all present and future current asset of the Company with 25% margin, or lien over import documents).

7.2.2 Guarantees issued by banks on behalf of the Company

7.2.2.1 Under Mark up arrangements

Out of the aggregate facility of Rs. 1,200 million (30 June 2024: Rs. 1,200 million) for letter of guarantees (which is the sublimit of running finance and letter of credits), the amount utilized as at 31 December 2024 was Rs. 325.21 million (30 June 2024: Rs. 380.57 million).

7.2.2.2 Under Shariah compliant arrangements

The Company has facility i.e. letter of guarantee of Rs. 275 million (30 June 2024: Rs. 175 million) available from Islamic bank, the amount utilized at 31 December 2024 was Rs. 4.49 million (30 June 2024: Rs. 14.57 million).

7.2.2.3 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 (30 June 2024: Rs. 3,500 million) for a tenor of 10 years. Out of this approved limit, corporate guarantees amounting to Rs. 3,500 million (30 June 2024: Rs. 3,500 million) for a tenor of 10 years have been provided to banks / financial institutions till date.

		Un-audited 31 December 2024	Audited 30 June 2024
		-----Rupees-----	
8	Property, plant and equipment		
		<i>Note</i>	
	Operating fixed assets	8.1	6,340,625,664
	Capital work-in-progress		6,439,453,250
			<u>222,228,183</u>
			<u>6,562,853,847</u>
			<u>192,549,371</u>
			<u>6,632,002,621</u>
8.1	Operating fixed assets		
	<u>Cost</u>		
	Opening balance at beginning of the period / year		7,036,058,135
	Additions / transfers during the period / year		4,452,061,683
	Revaluation surplus - net		208,826,988
	Disposals / write offs during the period / year		-
	Closing balance at end of the period / year		2,238,924,837
			<u>(18,033,435)</u>
			<u>7,226,851,688</u>
			<u>7,036,058,135</u>
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year		596,604,885
	Depreciation for the period / year		1,218,536,502
	On disposals		306,252,658
	Elimination of accumulated depreciation on revaluation		423,367,440
	Closing balance at end of the period / year		(16,631,519)
	Operating fixed assets - net book value		-
			(966,855,131)
			<u>886,226,024</u>
			<u>596,604,885</u>
			<u>6,340,625,664</u>
			<u>6,439,453,250</u>
9	Long term investments - related parties		
	<u>Related parties - at cost</u>		
	Farmacia (Partnership firm)	9.1	262,472,187
	BF Biosciences Limited	9.2	249,063,595
			<u>151,999,960</u>
			<u>414,472,147</u>
			<u>401,063,555</u>
9.1	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.		
9.2	BF Biosciences Limited has been set up for establishing a Biotech Pharmaceutical Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company was formed pursuant to signing of an agreement between M/s Ferozsons Laboratories Limited and M/s Grupo Empresarial Bagó S.A. The company holds 57.36% (30 June 2024: 80%) of equity of the subsidiary.		
10	Stock in trade		
10.1	This includes amount charged to unconsolidated condensed interim statement of profit or loss on account of write down of raw material and work in progress to net realizable value amounts to Rs. 34.48 million (30 June 2024: Rs. 47.80 million) and finished goods to net realizable value amounts to Rs. 88.63 million (30 June 2024: 114.19 million).		
11	Trade debts - considered good		
11.1	This includes provision outstanding on account of impairment loss allowance amounting to Rs. 239.69 million (30 June 2024: Rs. 220.44 million).		

		Un-audited 31 December 2024	Audited 30 June 2024
		----- Rupees -----	
12 Short term investments	<i>Note</i>		
<u>Investments at fair value through profit or loss</u>			
Mutual fund	<i>12.1</i>	2,667,104,079	375,541,979
12.1 These investments are measured at 'fair value through Profit or Loss'			
Fair value at 01 July		375,541,979	362,396,582
Acquisition/(Redemption) during the year-net		2,249,988,387	(60,118,104)
Dividend re-invested during the period / year		28,565	28,233,952
Realized gain on sale of investments during the period / year		-	6,027,500
Unrealized gain on re-measurement of investment during the period / year		41,545,148	39,002,049
Fair value at 31 December / 30 June	<i>12.1.1</i>	2,667,104,079	375,541,979

12.1.1 Mutual fund wise detail is as follows:

	Units		Fair value	
	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024
Number.....	Rupees.....	
HBL Money Market Fund	3,364,423	3,364,423	377,920,299	348,190,571
MCB Cash Management Optimizer Fund	4,520,306	10,939	503,203,337	1,114,288
HBL Cash Fund	15,909,222	249,626	1,785,490,462	25,764,090
Pakistan Cash Management Fund	12,673	9,387	489,981	473,030
			2,667,104,079	375,541,979

12.2 The investments amounting to Rs. 333.33 million (30 June 2024: Rs. 333.33 million) are marked under lien against short term borrowing facilities availed by the Company. Further, the gain earned from these investments is under non shariah compliant arrangement.

13 Cash and bank balances

- 13.1** These include current account of Rs. 0.097 million (30 June 2024: Rs. 24.48 million) maintained under Shariah compliant arrangements.
- 13.2** These include deposit accounts of Rs. 5.72 million (30 June 2024: Rs. 13.26 million) under mark up arrangements, which carry interest rates ranging from 10.00% - 20.50% (30 June 2024: 19.02% to 20.51%) per annum.
- 13.3** These also include deposit account of Rs. 2.09 million (30 June 2024: Rs. 0.02 million) under Shariah compliant arrangements, which carries profit rates ranging from 5.87% - 11.01% (30 June 2024: 10.00% to 11.01%) per annum.

14 Revenue - net

Gross sales:

Local
Export

(Un-audited) Half year ended	
31 December 2024	31 December 2023
----- Rupees -----	
7,666,639,581	7,066,628,379
527,119,147	429,139,239
8,193,758,728	7,495,767,618

Less:

Sales returns
Discounts
Sales tax

(62,432,969)	(25,269,377)
(1,040,980,957)	(706,700,470)
(57,659,637)	(52,919,793)
(1,161,073,563)	(784,889,640)
7,032,685,165	6,710,877,978

14.1 Disaggregation of Revenue (Net sales)

Primary Geographical Markets

Pakistan	6,505,566,018	6,281,738,740
Afghanistan	229,188,977	157,764,768
Sri Lanka	125,185,244	159,748,547
Philippines	69,648,948	44,644,781
Myanmar	44,695,948	14,698,310
Kenya	21,501,314	29,135,294
Kyrgyzstan	16,505,216	17,017,604
Others	20,393,500	6,129,934
	7,032,685,165	6,710,877,978

		(Un-audited) Half year ended	
		31 December 2024	31 December 2023
		----- Rupees -----	
15	Cost of sales		
		<i>Note</i>	
	Raw and packing materials consumed	<i>15.1</i>	2,044,571,387
	Salaries, wages and other benefits		2,206,335,385
	Fuel and power		284,750,635
	Repair and maintenance		97,461,470
	Stores, spare parts and loose tools consumed		82,793,370
	Freight and forwarding		20,485,381
	Packing charges		15,549,898
	Rent, rates and taxes		20,485,381
	Postage and telephone		89,230,970
	Insurance		26,174,591
	Travelling and conveyance		54,825,142
	Canteen expenses		9,517,718
	Depreciation on property, plant and equipment		4,036,123
	Laboratory and other expenses		7,067,003
			4,943,222
			15,003,535
			15,711,214
			22,229,727
			193,850,369
			7,672,268
			2,899,102,759
			2,898,508,365
	<i>Work in process:</i>		
	Opening		243,120,575
	Closing		157,743,377
			(146,737,096)
			(285,143,011)
			96,383,479
			(127,399,634)
	Cost of goods manufactured		2,995,486,238
			2,771,108,731
	<i>Finished stock:</i>		
	Opening		2,219,562,963
	Purchases made during the period		1,184,462,133
	Closing - net of provision		1,252,670,796
			2,793,159,609
			(2,201,737,918)
			(2,527,982,816)
			1,270,495,841
			1,449,638,926
			4,265,982,079
			4,220,747,657
15.1	Raw and packing materials consumed		
	Opening		1,302,778,758
	Purchases made during the period		1,400,272,609
			1,837,985,385
			2,231,274,588
			3,140,764,143
			3,631,547,197
	Closing - net of provision		(1,096,192,756)
			(1,425,211,812)
			2,044,571,387
			2,206,335,385

The Company in the normal course of business carries out transactions with various related parties which include subsidiaries, associated companies, entities over which directors are able to exercise influence, staff retirement fund, directors and key management personnel. Transactions with related parties during the period are as follows:

Name of parties	Relationship	Transactions	(Un-audited) Half year ended	
			31 December 2024	31 December 2023
-----Rs.-----				
Farmacia	98% owned subsidiary partnership firm	Sale of medicines - net of returns and discounts Payment received against sale of medicine Rentals Share of profit reinvested	160,820,393 160,820,393 3,417,744 13,408,592	123,235,936 123,235,936 3,107,040 9,633,314
BF Biosciences Limited	80% owned subsidiary company	Sale of medicines Payment received against sale of medicine Purchase of medicines Payment made against purchase of medicine Expenses incurred by the Company on behalf of BFBL - net Receipts received by BFBL on behalf of the Company - net Receipt from BFBL - net Expenses incurred by BFBL on behalf of the Company - net Payments made to BFBL - net Corporate guarantee income Payment received against corporate guarantee income	584,840,213 584,840,213 6,570,613 6,570,613 3,136,074 12,626,203 15,762,277 - - 3,510,000 3,510,000	369,317,981 369,317,981 - - - 498,390 - 33,756,942 33,258,552 3,510,000 3,510,000
Key Management Personnel	Key management personnel	Remuneration including benefits and perquisites Cash dividend paid Advance given against salary	44,133,538 6,048 -	27,263,565 - 1,931,316
Employees Provident Fund	Post employment benefit fund	Contribution towards employees' provident fund	43,622,884	35,783,890
KFW Factors (Private) Limited	Common directorship	Cash dividend paid	35,799,582	-
Osman Khalid Waheed	Chief Executive Officer	Remuneration including benefits and perquisites Cash dividend paid Advance given against salary Meeting Fee	33,824,349 10,208,241 500,000 110,000	26,293,552 - - 20,000
Directors other than CEO	Non-Executive Directors	Meeting Fee Reimbursement of expenses Rental expense paid for building in use Cash dividend paid	750,000 87,000 2,816,781 3,356,034	160,000 - 2,995,549 -
Khan and Piracha	Common directorship	Payment made against services received	390,000	-
National Management Foundation (LUMS)	Common directorship	Event sponsorship	5,000,000	5,000,000
Lahore Biennale Foundation (LBF)	Common directorship	Donation	2,500,000	-

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

	31 December 2024 (Un-audited)				31 December 2023 (Un-audited)					
	Unclaimed dividend	Accrued mark-up	Long term loan	Diminishing Musharaka	Total	Unclaimed dividend	Accrued mark-up	Long term loan	Diminishing Musharaka	Total
Balance as at 01 July	96,507,363	172,315,348	181,464,925	168,717,147	619,004,783	97,332,707	42,140,456	128,925,926	-	268,399,089
<u>Changes from financing cash flows</u>										
Dividend paid	(126,194,628)	-	-	-	(126,194,628)	(265,619)	-	-	-	(265,619)
Proceeds from long term loan	-	-	32,374,000	-	32,374,000	-	-	-	-	-
Repayment of long term loan	-	-	(9,629,636)	-	(9,629,636)	-	-	(20,343,525)	-	(20,343,525)
Finance cost paid	-	(343,701,541)	-	-	(343,701,541)	-	(132,661,492)	-	-	(132,661,492)
Musharaka received	-	-	-	90,002,620	90,002,620	-	-	-	91,192,200	91,192,200
Musharaka paid	-	-	-	(22,915,341)	(22,915,341)	-	-	-	-	-
Total changes from financing cash flows	(126,194,628)	(343,701,541)	22,744,364	67,087,279	(380,064,526)	(265,619)	(132,661,492)	(20,343,525)	91,192,200	(62,078,436)
<u>Non-cash changes</u>										
Dividend approved	130,407,156	-	-	-	130,407,156	-	-	-	-	-
Interest / markup expense	-	275,783,784	-	-	275,783,784	-	180,756,913	-	-	180,756,913
Total non-cash changes	130,407,156	275,783,784	-	-	406,190,940	-	180,756,913	-	-	180,756,913
Balance as at 31 December	100,719,891	104,397,591	204,209,289	235,804,426	645,131,197	97,067,088	90,235,877	108,582,401	91,192,200	387,077,566

18 Financial risk management and fair value of financial instruments

18.1 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 2024.

18.2 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 statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
31 December 2024 (Un-audited)							
Financial assets measured at fair value:	2,667,104,079	-	-	2,667,104,079	2,667,104,079	-	-
<u>Financial assets not measured at fair value</u>							
Long term deposits	-	9,922,000	-	9,922,000	-	-	-
Trade debts	-	2,580,231,777	-	2,580,231,777	-	-	-
Loans and advances	-	50,656,030	-	50,656,030	-	-	-
Deposits and prepayments	-	190,390,110	-	190,390,110	-	-	-
Other receivables	-	84,841,588	-	84,841,588	-	-	-
Bank balances	-	317,364,647	-	317,364,647	-	-	-
	-	3,233,406,152	-	3,233,406,152	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Trade and other payables	-	-	2,475,905,927	2,475,905,927	-	-	-
Unclaimed dividend	-	-	100,719,891	100,719,891	-	-	-
Long term loans - secured	-	-	148,898,334	148,898,334	-	-	-
Long term musharaka - secured	-	-	235,804,426	235,804,426	-	-	-
Short term borrowings - secured	-	-	4,518,863,364	4,518,863,364	-	-	-
Accrued mark-up	-	-	104,397,591	104,397,591	-	-	-
	-	-	7,584,589,533	7,584,589,533	-	-	-

	Carrying Amount		Fair Value				
	Fair value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	375,541,979	-	-	375,541,979	375,541,979	-	-
----- Rupees -----							
<i>Financial assets not measured at fair value</i>							
Long term deposits	-	9,777,325	-	9,777,325	-	-	-
Trade debts	-	2,199,853,473	-	2,199,853,473	-	-	-
Loans and advances	-	13,686,361	-	13,686,361	-	-	-
Deposits and prepayments	-	173,693,929	-	173,693,929	-	-	-
Other receivables	-	58,626,606	-	58,626,606	-	-	-
Bank balances	-	268,898,922	-	268,898,922	-	-	-
	-	2,724,536,616	-	2,724,536,616	-	-	-
<i>Financial liabilities measured at fair value:</i>							
	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value</i>							
Trade and other payables	-	-	1,413,656,892	1,413,656,892	-	-	-
Unclaimed dividend	-	-	96,507,363	96,507,363	-	-	-
Long term loans - secured	-	-	124,392,873	124,392,873	-	-	-
Long term musharaka - secured	-	-	168,717,147	168,717,147	-	-	-
Short term borrowings - secured	-	-	2,407,658,889	2,407,658,889	-	-	-
Accrued mark-up	-	-	172,315,348	172,315,348	-	-	-
	-	-	4,383,248,512	4,383,248,512	-	-	-

30 June 2024 (Audited)

Financial assets measured at fair value:

Financial assets not measured at fair value

Long term deposits

Trade debts

Loans and advances

Deposits and prepayments

Other receivables

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

Long term musharaka - secured

Short term borrowings - secured

Accrued mark-up

19 Subsequent event

The Board of Directors of the Company in its meeting held on 28 February 2025 has approved an interim cash dividend of Rs. Nil per share (31 December 2023: Rs. Nil per share), amounting to Rs. Nil (31 December 2023: Rs. Nil) for the year ending 30 June 2025.

20 General

Figures have been rounded off to nearest rupee.

21 Date of authorization for issue

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 28 February 2025.

Chief Executive Officer

Chief Financial Officer

Director



CONSOLIDATED FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 December 2024

	Un-audited 31 December 2024	Audited 30 June 2024
	Rupees	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital 150,000,000 (30 June 2024: 150,000,000) ordinary shares of Rs. 10 each	1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital	434,690,520	434,690,520
Capital reserve	321,843	321,843
Revaluation surplus on property, plant and equipment	3,648,453,902	3,753,246,119
Accumulated profits	7,886,599,050	7,040,048,601
Equity attributable to owners of the Company	11,970,065,315	11,228,307,083
Non-controlling interests	1,993,481,104	591,877,248
	13,963,546,419	11,820,184,331
Non current liabilities		
Long term loans - <i>secured</i>	1,580,614,895	1,699,776,488
Long term musharaka - secured	261,442,794	143,830,767
Deferred grant	415,474,174	476,905,461
Deferred taxation	1,496,834,424	1,523,995,187
	3,754,366,287	3,844,507,903
Current liabilities		
Current portion of:		
- Long term loans - secured	326,827,466	308,184,628
- Long term musharaka - secured	56,356,854	24,886,380
- Deferred grant	133,952,262	138,213,359
Trade and other payables	3,906,434,628	2,235,066,200
Contract liabilities	263,472,085	333,057,621
Short term borrowings - <i>secured</i>	4,760,948,233	2,743,034,136
Unclaimed dividend	100,719,891	96,507,363
Accrued mark-up	143,576,841	205,979,682
	9,692,288,260	6,084,929,369
Contingencies and commitments	27,410,200,966	21,749,621,603

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 half year and quarter ended 31 December 2024

	Note	Half year ended		Quarter ended	
		31 December 2024	31 December 2023 <i>Restated</i>	31 December 2024	31 December 2023 <i>Restated</i>
		Rupees		Rupees	
Revenue - <i>net</i>	10	9,259,937,017	8,298,817,623	4,730,951,335	3,870,276,446
Cost of sales	11	(5,317,218,885)	(5,104,541,690)	(2,641,235,449)	(2,395,347,170)
Gross profit		3,942,718,132	3,194,275,933	2,089,715,886	1,474,929,276
Administrative expenses		(466,195,315)	(384,750,927)	(240,765,255)	(180,339,934)
Selling and distribution expenses		(2,441,529,678)	(1,917,066,589)	(1,388,895,764)	(952,602,260)
Other expenses		(100,447,885)	(174,469,433)	(52,768,925)	(134,280,383)
Other income		118,648,391	142,700,531	91,576,790	65,696,621
Profit from operations		1,053,193,645	860,689,515	498,862,732	273,403,320
Finance cost		(365,394,089)	(256,031,730)	(171,485,876)	(134,959,033)
Profit before income tax, final tax and minimum tax differential		687,799,556	604,657,785	327,376,856	138,444,287
Minimum tax differential		(13,643,912)	(3,063,548)	(5,504,140)	819,094
Final tax		-	(8,048,610)	5,289,845	(1,209,319)
Profit before income tax		674,155,644	593,545,627	327,162,561	138,054,062
Income tax		(255,584,535)	(200,446,526)	(149,611,828)	(26,423,605)
Profit after taxation		418,571,109	393,099,101	177,550,733	111,630,457
Attributable to:					
Owners of the Group		370,849,647	364,989,221	150,454,296	101,889,167
Non-controlling interests		47,721,462	28,109,880	27,096,437	9,741,290
Profit after taxation		418,571,109	393,099,101	177,550,733	111,630,457
Earnings per share - <i>basic and diluted</i>		8.53	8.40	3.46	2.34

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 half year and quarter ended 31 December 2024

	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees		Rupees	
Profit after taxation	418,571,109	393,099,101	177,550,733	111,630,457
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	418,571,109	393,099,101	177,550,733	111,630,457
<i>Attributable to:</i>				
Owners of the Group	370,849,647	364,989,221	150,454,296	101,889,167
Non-controlling interests	47,721,462	28,109,880	27,096,437	9,741,290
	418,571,109	393,099,101	177,550,733	111,630,457

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 half year ended 31 December 2024

	Half year ended	
	31 December 2024	31 December 2023 <i>Restated</i>
	----- Rupees -----	
<u>Cash flow from operating activities</u>		
Profit after taxation	418,571,109	393,099,101
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	403,332,630	249,231,632
Amortization of intangible assets	9,035,846	10,525,158
Provision of loss allowance against trade debts	27,311,572	111,268,345
Gain on disposal of property, plant and equipment	(6,533,359)	(17,772,784)
Finance costs	363,265,372	256,031,730
Gain on re-measurement of short term investments to fair value	(82,199,753)	(37,551,385)
Gain on sale of short term investments	-	(317,789)
Dividend income	(28,565)	(13,474,772)
Minimum tax	13,643,912	3,063,548
Final tax	-	8,048,610
Income tax	255,584,535	200,446,526
Profit on deposits with bank	(21,259,755)	(5,955,534)
Workers' Profit Participation Fund	41,809,316	39,949,609
Central Research Fund	8,016,283	8,070,628
Workers' Welfare Fund	17,731,236	15,180,851
	1,029,709,270	826,744,373
Cash generated from operations before working capital changes	1,448,280,379	1,219,843,474
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(60,244,718)	(8,459,327)
Stock in trade	(916,998,107)	(271,225,466)
Trade debts	(490,625,590)	(1,236,962,818)
Loans and advances - <i>considered good</i>	(207,434,842)	(332,986,381)
Deposits and prepayments	83,057,907	(108,154,950)
Other receivables	7,965,127	(4,481,297)
	(1,584,280,223)	(1,962,270,239)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	1,659,293,592	137,371,123
Contract liabilities	(69,585,536)	85,354,636
	1,453,708,212	(519,701,006)
Cash generated from / (used in) operations	1,453,708,212	(519,701,006)
Income tax paid	(361,017,118)	(166,426,881)
Minimum Tax paid	(13,643,912)	(2,150,724)
Final Tax paid	-	(4,828,050)
Workers' Profit Participation Fund paid	(42,541,527)	(13,680,252)
Central Research Fund paid	(12,940,472)	(5,187,240)
Net cash generated from / (used in) operating activities	1,023,565,183	(711,974,153)
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(422,753,166)	(182,598,846)
Acquisition of intangibles	(5,121,630)	(60,501,000)
Dividend income received	28,565	9,150,444
Proceeds from sale of property, plant and equipment	7,986,741	23,443,897
Long term deposit - <i>net</i>	(144,675)	(3,000,000)
Profit on term deposits received	21,259,755	5,955,534
Short term investments - <i>net</i>	(3,974,384,494)	87,229,890
Net cash used in investing activities	(4,373,128,904)	(120,320,081)
<u>Cash flow from financing activities</u>		
Subscription money received against IPO - net of Transaction cost	1,855,198,135	-
Long term musharaka received	183,554,428	-
Long term musharaka paid	(34,471,927)	-
Long term loan received	32,374,000	91,192,200
Long term loan paid	(213,789,002)	(170,800,953)
Finance cost paid	(410,464,351)	(219,918,016)
Dividend paid	(126,194,628)	(265,619)
Net cash generated from / (used in) financing activities	1,286,206,655	(299,792,388)
Net decrease in cash and cash equivalents	(2,063,357,066)	(1,132,086,622)
Cash and cash equivalents at the beginning of the period	(2,191,969,793)	(691,494,844)
Cash and cash equivalents at the end of the period	(4,255,326,859)	(1,823,581,466)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	505,621,374	553,106,858
Running finance	(4,760,948,233)	(2,376,688,324)
	(4,255,326,859)	(1,823,581,466)

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 half year ended 31 December 2024

1 The Group and its operation

Ferozsons Laboratories Limited (“the Holding Company”) was incorporated as a private limited company on 28 January 1954 and commenced its commercial operations in 1956. The Company 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 %	
			31 December 2024	30 June 2024
BF Biosciences Limited	Pakistan	Import, manufacturing and sale of pharmaceutical products	57.36	80
Farmacia	Pakistan	Sale and distribution of medicines and other related products	98	98

The registered office of the BF Biosciences Limited is situated at 197-A, The Mall, Rawalpindi and the production facility is located at 5 KM- Sunder Raiwind Road Lahore. The head office of the Farmacia is situated at Fatima Memorial Hospital, Shadman, Lahore.

During the period ended 31 December 2024, BF Biosciences Limited issued 25,000,000 new shares to non-controlling shareholders for a total consideration of Rs. 1,855,198,135 (net of transaction cost). As a result, the Holding Company’s ownership in BF Biosciences Limited decreased from 80% to 57.36%. Since the Holding Company retained control, this transaction was accounted for as an equity transaction under IFRS 10 and did not impact profit or loss.

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
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 December 2024 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 2024.

3.2.3 Comparative consolidated statement of financial position's numbers are extracted from the annual audited consolidated financial statements of the Holding Company for the year ended 30 June 2024, whereas comparative consolidated 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 statements of the Holding Company for the six months period ended 31 December 2023.

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 2024.

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 2024.

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 musharaka - secured

There is no change in the sanctioned limits as already disclosed in the annual consolidated financial statements for the year ended 30 June 2024 except for the new long term musharaka which has been obtained by the Subsidiary Company during the period as mentioned below:

4.1 The Subsidiary Company, BF Biosciences Limited obtained financing facility under "Diminishing Musharaka" from First Habib Modaraba amounting to Rs. 81.99 million for the purpose of purchase of vehicles.

5 Short term borrowings - secured

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 2024 except for the new short-term loans obtained by the Holding Company during the period under Shariah-compliant arrangements and mark-up arrangements, amounting to Rs. 3,000 million and Rs. 1,229 million, respectively. These short-term loans carry a profit/mark-up ranging from KIBOR minus 2.75% to KIBOR minus 3%.

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 2024.

		Un-audited 31 December 2024	Audited 30 June 2024
		-----Rupees-----	
7	Property, plant and equipment	<i>Note</i>	
	Operating fixed assets	11,548,710,911	8,119,903,488
	Capital work-in-progress	297,658,426	3,708,498,694
		11,846,369,337	11,828,402,182
	7.1 Operating fixed assets		
	<u>Cost</u>		
	Opening balance at beginning of the period / year	8,781,321,507	5,329,009,563
	Additions / transfers during the period / year	3,833,593,433	996,038,526
	Revaluation surplus - net	-	2,596,731,941
	Disposals during the period / year	(18,454,465)	(140,458,523)
	Closing balance at end of the period / year	12,596,460,475	8,781,321,507
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year	661,418,019	1,514,252,015
	Depreciation for the period / year	403,332,628	517,090,795
	Elimination of accumulated depreciation on revaluation	-	(1,283,113,977)
	On disposals	(17,001,083)	(86,810,814)
	Closing balance at end of the period / year	1,047,749,564	661,418,019
	Operating fixed assets - net book value	11,548,710,911	8,119,903,488

		Un-audited 31 December 2024	Audited 30 June 2024
	Note	----- Rupees -----	
8 Short term investments			
<u>Investments at fair value through profit or loss</u>			
Mutual fund	8.1	<u>4,553,079,542</u>	<u>496,495,295</u>
8.1 These investments are measured at 'fair value through Profit or Loss'			
Fair value at 01 July		496,495,295	544,965,655
Dividend re-invested during the period / year		28,565	64,119,128
Acquisition / (Redemption) during the period / year - net		3,981,234,871	(168,701,582)
Realized gain on sale of investments during the period / year		-	6,390,555
Unrealized gain on re-measurement of investment during the period / year		75,320,811	49,721,539
Fair value at 31 December / 30 June	8.1.1	<u>4,553,079,542</u>	<u>496,495,295</u>

Units		Fair value	
Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024
.....Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	3,367,379	3,367,109	378,252,348	348,467,577
HBL Cash Fund	17,041,659	504,004	1,941,147,870	51,944,030
ABL Cash Fund	28,591,251	1,226,287	319,152,704	12,555,825
Pakistan Cash Management Fund	12,673	9,387	489,981	473,030
UBL Money Market Fund	1,852,607	-	203,329,453	-
Alfalah Money Market Fund	5,666,534	-	610,771,889	-
Alfalah Cash Fund	19	-	10,186	-
Alfalah Investment Money Market Fund	817,984	828,164	88,167,029	81,940,545
MCB Cash Management Optimizer Fund	9,088,439	10,939	1,011,758,082	1,114,288
			<u>4,553,079,542</u>	<u>496,495,295</u>

9 Cash and bank balances

9.1 These include current account of Rs. 0.097 million (30 June 2024: Rs. 25.71 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 10.78 million (30 June 2024: Rs. 23.05 million) under mark up arrangements, which carry interest rates ranging from 10.00% to 20.50% (30 June 2024: 19.02% to 20.51%) per annum.

These also include deposit account of Rs. 3.83 million (30 June 2024: Rs. 0.71 million) under Shariah compliant arrangements, which carries profit rate ranging from 5.87% to 11.01% (30 June 2024: 10.00% to 11.01%) per annum.

		(Un-audited) Half year ended	
		31 December 2024	31 December 2023
		----- Rupees -----	
10	Revenue - net		
	<i>Gross sales:</i>		
	Local	10,080,741,811	8,932,904,923
	Export	582,981,910	446,870,702
		10,663,723,721	9,379,775,625
	<i>Less:</i>		
	Sales returns	(74,738,800)	(110,895,397)
	Discounts	(1,260,227,413)	(909,535,348)
	Sales tax	(68,820,491)	(60,527,257)
		(1,403,786,704)	(1,080,958,002)
	Revenue from contracts with customers	9,259,937,017	8,298,817,623
		9,259,937,017	8,298,817,623
10.1	Disaggregation of Revenue (Net sales)		
	<i>Primary Geographical Markets:</i>		
	Pakistan	8,676,955,107	7,851,946,922
	Sri Lanka	125,185,244	159,748,547
	Afghanistan	261,698,977	157,764,768
	Philippines	69,648,948	44,644,781
	Kenya	21,501,314	29,135,294
	Nepal	22,238,994	17,117,398
	Kyrgyzstan	16,505,216	17,017,604
	Myanmar	44,695,948	14,698,310
	Others	21,507,269	6,743,999
		9,259,937,017	8,298,817,623
		9,259,937,017	8,298,817,623
11	Cost of sales		
	Raw and packing materials consumed	2,818,493,146	2,488,123,495
	Other manufacturing expenses	1,388,622,840	1,034,604,017
		4,207,115,986	3,522,727,512
	<i>Work in process:</i>		
	Opening	423,548,791	249,627,985
	Closing	(529,706,505)	(352,599,048)
		(106,157,714)	(102,971,063)
	Cost of goods manufactured	4,100,958,272	3,419,756,449
	<i>Finished stock:</i>		
	Opening	2,392,888,111	1,325,994,498
	Purchases made during the period	1,329,686,530	3,049,306,514
	Closing	(2,506,314,028)	(2,690,515,771)
		1,216,260,613	1,684,785,241
		5,317,218,885	5,104,541,690
		5,317,218,885	5,104,541,690
11.1	Raw and packing materials consumed		
	Opening	1,752,978,969	1,832,285,298
	Purchases made during the period	2,796,092,617	2,678,447,284
		4,549,071,586	4,510,732,582
	Closing	(1,730,578,440)	(2,022,609,087)
		2,818,493,146	2,488,123,495
		2,818,493,146	2,488,123,495

Note

10.1

11.1

Related party transactions

The Group's related parties include associated companies, entities over which directors are able to exercise influence, staff retirement fund, directors and key management personnel. Transactions with related parties are as follows:

Name of parties	Relationship	Transactions	(Un-audited) Half year ended	
			31 December 2024	31 December 2023
				-----Rs.-----
Bago Laboratories Pte. Limited	Associated Company	Purchase of medicine	8,464,593	44,648,569
		Payment made against purchase of medicine	12,678,206	94,182,434
Employees Provident Fund	Post employment benefit fund	Contribution towards employees' provident fund	52,648,626	48,585,958
Key Management Personnel	Key management personnel	Remuneration including benefits and perquisites	48,905,632	27,263,565
		Advance given against salary	-	1,931,316
		Cash dividend	6,048	-
KFW Factors (Private) Limited	Common directorship	Cash dividend	35,799,582	-
		Share of profit of Farmacia reinvested	273,645	196,598
Osman Khalid Waheed	Chief Executive Officer-Holding Company	Remuneration including benefits and perquisites	33,824,349	26,293,552
		Cash Dividend	10,208,241	-
		Advance given against salary	500,000	-
		Meeting fee	110,000	20,000
Akhtar Khalid Waheed	Chief Executive Officer-Subsidiary Company	Meeting fee	200,000	20,000
		Cash Dividend	15,000	-
Directors other than CEOs	Non-Executive Directors	Cash Dividend	3,341,034	-
		Reimbursement of expenses	87,000	-
		Meeting fee	2,350,000	160,000
		Rental expense paid for building in use	2,816,781	2,995,549
Khan and Piracha	Common directorship	Payment made against services received	390,000	-
Lahore Biennale Foundation (LBF)	Common directorship	Donation	2,500,000	-
National Management Foundation / (LUMS)	Common directorship	Donations	500,000	-
		Event sponsorship	5,000,000	5,000,000

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

	31 December 2024 (Un-audited)				31 December 2023 (Un-audited)				
	Unclaimed dividend	Accrued mark-up	Long term loans and musharaka - secured	Subscription money received against IPO	Total	Unclaimed dividend	Accrued mark-up	Long term loans and musharaka - secured	Total
	----- Rupees -----					----- Rupees -----			
As at 01 July	96,507,363	205,979,682	2,791,797,084	-	3,094,284,129	97,332,707	85,967,950	2,891,898,383	3,075,199,040
Changes from financing cash flows									
Dividend paid	(126,194,628)	-	-	-	(126,194,628)	(265,619)	-	-	(265,619)
Musharaka received	-	-	183,554,428	-	183,554,428	-	-	91,192,200	91,192,200
Musharaka paid	-	-	(34,471,927)	-	(34,471,927)	-	-	-	-
Repayment of long term loan	-	-	(213,789,002)	-	(213,789,002)	-	-	(170,800,953)	(170,800,953)
Proceeds from long term loan	-	-	32,374,000	-	32,374,000	-	-	-	-
Subscription money received against IPO	-	-	-	1,855,198,135	1,855,198,135	-	-	-	-
Finance cost paid	-	(410,464,351)	-	-	(410,464,351)	-	(219,918,016)	-	(219,918,016)
Total changes from financing cash flows	(126,194,628)	(410,464,351)	(32,332,501)	1,855,198,135	1,286,206,655	(265,619)	(219,918,016)	(79,608,753)	(299,792,388)
Other changes									
Dividend approved	130,407,156	-	-	-	130,407,156	-	-	-	-
Issuance of Shares	-	-	-	(1,855,198,135)	(1,855,198,135)	-	-	-	-
Impact of effective rate	-	(15,203,862)	15,203,862	-	-	-	-	-	-
Interest/ markup expense	-	363,265,372	-	-	363,265,372	-	256,031,730	-	256,031,730
Total liability related other changes	130,407,156	348,061,510	15,203,862	(1,855,198,135)	(1,361,525,607)	-	256,031,730	-	256,031,730
As at 31 December	100,719,891	143,576,841	2,774,668,445	-	3,018,965,177	97,067,088	122,081,664	2,812,289,630	3,031,438,282

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 2024. The exposure to credit risk relates to trade and other receivables which are majorly due from Government institutions and the Group 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 statement of profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
31 December 2024 (Un-audited)							
Financial assets measured at fair value:							
Short term investments	4,553,079,542	-	-	4,553,079,542	4,553,079,542	-	-
Financial assets not measured at fair value:							
Long term deposits	-	17,749,000	-	17,749,000	-	-	-
Trade debts - considered good	-	2,879,928,397	-	2,879,928,397	-	-	-
Loans and advances - considered good	-	52,023,023	-	52,023,023	-	-	-
Short term deposits	-	220,219,871	-	220,219,871	-	-	-
Other receivables	-	67,864,777	-	67,864,777	-	-	-
Cash and bank balances	-	505,621,374	-	505,621,374	-	-	-
	-	3,743,406,442	-	3,743,406,442	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	3,601,094,643	3,601,094,643	-	-	-
Unclaimed dividend	-	-	100,719,891	100,719,891	-	-	-
Long term musharaka - secured	-	-	317,799,648	317,799,648	-	-	-
Long term loans - secured	-	-	2,456,868,797	2,456,868,797	-	-	-
Short term borrowings - secured	-	-	4,760,948,233	4,760,948,233	-	-	-
Accrued mark-up	-	-	143,576,841	143,576,841	-	-	-
	-	-	11,381,008,053	11,381,008,053	-	-	-
30 June 2024 (Audited)							
Financial assets measured at fair value:							
Short term investments	496,495,295	-	-	496,495,295	496,495,295	-	-
Financial assets not measured at fair value:							
Long term deposits	-	17,604,325	-	17,604,325	-	-	-
Trade debts - considered good	-	2,416,614,379	-	2,416,614,379	-	-	-
Loans and advances - considered good	-	13,686,361	-	13,686,361	-	-	-
Short term deposits	-	322,041,020	-	322,041,020	-	-	-
Other receivables	-	58,626,606	-	58,626,606	-	-	-
Cash and bank balances	-	551,064,343	-	551,064,343	-	-	-
	-	3,379,637,034	-	3,379,637,034	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	1,977,368,796	1,977,368,796	-	-	-
Unclaimed dividend	-	-	96,507,363	96,507,363	-	-	-
Long term loans - secured	-	-	2,007,961,116	2,007,961,116	-	-	-
Long term musharaka - secured	-	-	168,717,147	168,717,147	-	-	-
Short term borrowings - secured	-	-	2,743,034,136	2,743,034,136	-	-	-
Accrued mark-up	-	-	205,979,682	205,979,682	-	-	-
	-	-	7,199,568,240	7,199,568,240	-	-	-

15 Subsequent event

The Board of Directors of the Holding Company in its meeting held on 28 February 2025 has approved an interim cash dividend of Rs. Nil per share (31 December 2023: Rs. Nil per share), amounting to Rs. Nil (31 December 2023: Rs. Nil) for the year ending 30 June 2025.

16 Date of authorization for issue

The Board of Directors of the Holding Company in its meeting held on 28 February 2025 has authorized to issue these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director



65 YEARS
OF TRUST & DEVOTION

The logo features the number '65' in a large, stylized font. The '6' is light blue with a green cross inside its lower loop. The '5' is orange. To the right of the '5' is the word 'YEARS' in a bold, dark grey sans-serif font, with a small graphic of two birds flying above the 'A'. Below this, the words 'OF TRUST & DEVOTION' are written in a smaller, dark grey sans-serif font.

The logo features the number '35' in a large, stylized font. The '3' is blue with a green cross inside its lower loop, and the '5' is orange. To the right of '35' is the word 'YEARS' in a bold, black, sans-serif font, with a small graphic of three birds in flight above the 'A'. Below '35 YEARS' is the text 'OF TRUST & DEVOTION' in a smaller, black, sans-serif font.

35 YEARS
OF TRUST & DEVOTION