



**CELEBRATING
75 YEARS OF
PAKISTAN**

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
30 SEPTEMBER 2022**



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.

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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

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

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

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

INTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

HEAD OFFICE

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

BANKERS

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

SALES OFFICE, LAHORE

43-Al Noor Building, Bank Square
The Mall, Lahore, Pakistan
Telephone: +92-42-37358194
Fax: +92-42-37313680

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2022

We are pleased to present a brief review of the Company's un-audited Standalone and Consolidated condensed interim financial information for the three months ended 30 September 2022. The consolidated condensed interim financial information incorporates the Company's 98% owned venture Farmacia and 80% owned subsidiary BF Biosciences Limited.

Highlights of the Company's Individual and Consolidated Financial Results

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

Individual		Consolidated	
3 Months 30-Sep-22	3 Months 30-Sep-21	3 Months 30-Sep-22	3 Months 30-Sep-21

(Rupees in thousands)

Revenue - net	2,286,495	1,693,186	2,566,997	2,223,282
Gross profit	993,678	826,433	1,077,072	1,024,484
Profit before tax	157,094	219,218	190,026	380,664
Taxation	(52,176)	(58,818)	(57,832)	(79,674)
Profit after tax	104,918	160,400	132,194	300,990

Financial and Operational Review of Ferozsons Laboratories Limited:

The Company's consolidated net sales closed at Rs. 2,567 million, depicting a growth of 15% over the same period last year. On a standalone basis, the Company's net sales closed at Rs. 2,287 million, representing a growth of 35% over the same period last year.

In-market generic sales have witnessed a growth of 42%, whereas institutional sales of generics and medical devices increased by 15%.

The gross profit (GP) margin of the Company stands at 43% against 49% in the same period last year. The decline in GP margin mainly reflects increase in input costs of products due to significant devaluation of Pakistani Rupee.

Selling and distribution expenses increased by 30%. The increase primarily represents increase in salaries and field activities, which is in line with the increase in topline.

Other expenses increased by Rs. 50 million, which primarily represents exchange loss due to devaluation of the Pak. Rupee.

Net profit after tax closed at Rs. 105 million for the three months ended 30 September 2022, depicting a decline of 35% compared to the same period last year.

Based on the net profit after tax for the three months ended 30 September 2022, the earnings per share (EPS) stands at Rs. 2.41 compared to EPS of Rs. 3.69 in same period last year. The EPS relating to last year has been re-stated to account for the impact of bonus shares issued during the period under review.

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2022

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

The net sales of the subsidiary, BF Biosciences Limited closed at Rs. 347 million, compared to Rs. 503 million last year. The decrease primarily represents decline in Remidia (Remdesivir) sales in export and local markets.

Regarding the expansion project of the subsidiary's company, approximately 90% of the civil works have been completed to date. Further, majority of the plant and machinery have arrived at site and is in installation phase.

Future Outlook

The prevailing macroeconomics factors coupled with adverse taxation measures and lack of effective drug pricing mechanism, poses significant challenges for the Pharmaceutical industry. In order to ensure sustainable growth of the Company, the management is working on various cost optimization and growth strategies.

Acknowledgments

We want to acknowledge the considerable efforts and dedication of our employees towards achievement of the Company's objectives. Further, 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

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

ذیلی کمپنی، BF بائیو سائنسز لمیٹڈ کی خالص فروخت پچھلے سال 503 ملین روپے کے مقابلے میں 347 ملین روپے پر بند ہوئی۔ یہ کمی بنیادی طور پر عالمی اور مقامی منڈیوں میں Remidia (Remdesivir) کی فروخت میں کمی کی عکاسی کرتی ہے۔
ذیلی کمپنی کے توسیعی منصوبے کے حوالے سے اب تک تقریباً 90% تعمیراتی کام مکمل ہو چکے ہیں۔ مزید یہ کہ پلانٹ اور مشینری کی اکثریت سائٹ پر پہنچ چکی ہے اور تنصیب کے مرحلے میں شامل ہے۔

مستقبل کا نقطہ نظر

ٹیکس کے منفی اقدامات اور ادویات کی قیمتوں کا تعین کرنے کے مؤثر طریقہ کار کی کمی کے ساتھ موجودہ میکرو اکنامکس (Macro Economics) عوامل دواسازی کی صنعت کے لیے اہم چیلنجز کا باعث ہیں۔ کمپنی کی پائیدار ترقی کو یقینی بنانے کے لیے، انتظامیہ مختلف لاگت کی اصلاح اور ترقی کی حکمت عملیوں پر کام کر رہی ہے۔

اظہار تشکر

ہم کمپنی کے مقاصد کے حصول کے لیے اپنے ملازمین کی خاطر خواہ کوششوں اور لگن کو تسلیم کرتے ہیں۔ مزید برآں، ہم اپنے پرنسپلز (principals)، کاروباری شراکت داروں اور قابل قدر صارفین کا کمپنی میں مسلسل تعاون اور اعتماد کے لیے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

مسز اختر خالد وحید
چیئر پرسن

جناب عثمان خالد وحید
چیف ایگزیکٹو آفیسر

30 ستمبر 2022 کو اختتام پذیر ہونے والے تین ماہ کی مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات کے بارے میں ڈائریکٹرز کا جائزہ

ہم 30 ستمبر 2022 کو اختتام پذیر ہونے والے تین ماہ کے لیے کمپنی کی غیر آڈٹ شدہ انفرادی اور مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات کا ایک مختصر جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات میں کمپنی کے 98% ملکیٹی منصوبے فارمیسیا (Farmacia) اور 80% ملکیٹی ذیلی کمپنی BF باپو سائنز لمیٹڈ کو شامل کیا گیا ہے۔

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	3 مہینے	3 مہینے	
2021-30 ستمبر	2022-30 ستمبر	2021-30 ستمبر	2022-30 ستمبر	
(روپے ہزار میں)				
2,223,282	2,566,997	1,693,186	2,286,495	آمدنی - خالص
1,024,484	1,077,072	826,433	993,678	مجموعی منافع
380,664	190,026	219,218	157,094	قبل از ٹیکس منافع
(79,674)	(57,832)	(58,818)	(52,176)	ٹیکسیشن (Taxation)
300,990	132,194	160,400	104,918	بعد از ٹیکس منافع

فیروز سنز لیبارٹریز لمیٹڈ کا مالیاتی اور آپریشنل جائزہ:

کمپنی کی مجموعی خالص فروخت 2567 ملین روپے پر بند ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 15% کی نمو کو ظاہر کرتی ہے۔ انفرادی طور پر، کمپنی کی خالص فروخت 2287 ملین روپے پر بند ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 35 فیصد اضافے کی عکاسی کرتی ہے۔

بازار میں عام فروخت میں 42 فیصد اضافہ دیکھا گیا ہے، جب کہ عام ادویات اور طبی آلات کی ادارہ جاتی فروخت میں 15 فیصد اضافہ ہوا ہے۔

کمپنی کا مجموعی منافع (GP) مارجن 43% ہے جو پچھلے سال کی اسی مدت میں 49% تھا۔ GP مارجن میں کمی بنیادی طور پر پاکستانی روپے کی قدر میں نمایاں کمی کی وجہ سے مصنوعات کی لاگت میں اضافے کی عکاسی کرتی ہے۔

فروخت اور تقسیم کے اخراجات میں 30 فیصد اضافہ ہوا۔ یہ اضافہ بنیادی طور پر تنخواہوں اور فیلڈ کی سرگرمیوں میں اضافے کی نمائندگی کرتا ہے، جو ٹاپ لائن میں اضافے کے مطابق ہے۔

دیگر اخراجات میں 50 ملین روپے کا اضافہ ہوا، جو بنیادی طور پر پاکستانی روپے کی قدر میں کمی کی وجہ سے زر مبادلہ کے نقصان کی عکاسی کرتا ہے۔

30 ستمبر 2022 کو اختتام پذیر ہونے والے تین مہینوں کے لیے بعد از ٹیکس خالص منافع 105 ملین روپے پر بند ہوا (جو پچھلے سال کی اسی مدت کے مقابلے میں 35% کی کمی کو ظاہر کرتا ہے)۔

30 ستمبر 2022 کو اختتام پذیر ہونے والے تین مہینوں کے بعد از ٹیکس کے خالص منافع کی بنیاد پر فی شیئر آمدنی (EPS)، گزشتہ سال کی اسی مدت میں 3.69 روپے کے مقابلے میں، 2.41 روپے پر کھڑی ہے۔ گزشتہ سال سے متعلق ای پی ایس کو دوبارہ بیان کیا گیا ہے کہ وہ زیر جائزہ مدت کے دوران جاری کیے گئے بونس حصص کے اثرات کا حساب کتاب کرے۔



OUR FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at 30 September 2022

	Un-audited 30 September 2022	Audited 30 June 2022	
ASSETS	----- Rupees -----		Note
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital			
50,000,000 (30 June 2022: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000	
Issued, subscribed and paid up capital	434,690,520	362,242,100	3
Capital reserve	321,843	321,843	
Revaluation surplus on property, plant and equipment	1,022,641,034	1,032,733,321	
Accumulated profit	4,770,326,119	4,908,885,731	
	<u>6,227,979,516</u>	<u>6,304,182,995</u>	
<u>Non current liabilities</u>			
Deferred taxation	252,223,779	257,718,868	
<u>Current liabilities</u>			
Current portion of:			
- Long term loans - secured	42,733,958	84,040,204	
- Current portion of deferred grant	16,042	1,459,796	
Trade and other payables	1,926,627,897	2,025,666,697	
Contract liabilities	74,386,183	99,615,324	4
Short term borrowings - secured	343,932,483	343,176,422	
Unpaid dividend	181,121,050	-	
Unclaimed dividend	91,500,398	91,693,095	
Accrued mark-up	19,307,704	18,789,481	
	<u>2,679,625,715</u>	<u>2,664,441,019</u>	
Contingencies and commitments			
	<u>9,159,829,010</u>	<u>9,226,342,882</u>	
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	3,548,153,138	3,524,760,426	6
Intangible assets	861,541	1,002,673	
Long term investments - related parties	374,650,586	368,338,850	7
Long term deposits	9,717,325	9,717,325	
	<u>3,933,382,590</u>	<u>3,903,819,274</u>	
<u>Current assets</u>			
Stores, spare parts and loose tools	60,706,549	58,019,845	
Stock in trade	2,544,831,518	2,772,889,705	
Trade debts	1,118,106,494	1,065,839,706	
Loans and advances	75,229,091	51,177,114	
Deposits and prepayments	133,560,577	101,571,856	
Other receivables	256,930,318	256,878,499	
Advance income tax - net	148,384,672	140,943,346	8
Short term investments	718,481,186	695,089,997	9
Cash and bank balances	170,216,015	180,113,540	
	<u>5,226,446,420</u>	<u>5,322,523,608</u>	
	<u>9,159,829,010</u>	<u>9,226,342,882</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 Profit or Loss (Un-audited)

For the period ended 30 September 2022

	Note	First Quarter ended	
		30 September 2022	30 September 2021
		----- Rupees -----	
Revenue - net	10	2,286,494,656	1,693,186,215
Cost of sales	11	(1,292,816,834)	(866,753,209)
Gross profit		993,677,822	826,433,006
Administrative expenses		(152,262,244)	(121,844,633)
Selling and distribution expenses		(560,879,547)	(429,967,799)
Other expenses		(147,687,629)	(97,614,705)
Other income		44,622,436	46,052,929
Profit from operations		177,470,838	223,058,798
Finance cost		(20,377,337)	(3,841,214)
Profit before taxation		157,093,501	219,217,584
Taxation		(52,175,930)	(58,817,631)
Profit after taxation		104,917,571	160,399,953
Earnings per share - basic and diluted		2.41	Re-stated 3.69

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 period ended 30 September 2022

	First Quarter ended	
	30 September 2022	30 September 2021
	----- Rupees -----	
Profit after taxation	104,917,571	160,399,953
<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>104,917,571</u>	<u>160,399,953</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 period ended 30 September 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 2021	362,242,100	321,843	1,093,377,437	4,716,649,019	6,172,590,399
Total comprehensive income for the period	-	-	-	160,399,953	160,399,953
<u>Surplus transferred to accumulated profit</u>					
- On account of incremental depreciation charged during the period - net of tax	-	-	(10,639,019)	10,639,019	-
Balance as at 30 September 2021 - unaudited	362,242,100	321,843	1,082,738,418	4,887,687,991	6,332,990,352
Balance as at 01 July 2022	362,242,100	321,843	1,032,733,321	4,908,885,731	6,304,182,995
Total comprehensive income for the period	-	-	-	104,917,571	104,917,571
<u>Surplus transferred to accumulated profit</u>					
-on account of incremental depreciation charged during the period - net of tax	-	-	(10,092,287)	10,092,287	-
<u>Transactions with owners of the Company, recognized directly in Equity - Distributions</u>					
-Final dividend for the year ended 30 June 2022 at Rs. 5 per share	-	-	-	(181,121,050)	(181,121,050)
-Issuance of bonus shares at 20%	72,448,420	-	-	(72,448,420)	-
	72,448,420	-	-	(253,569,470)	(181,121,050)
Balance as at 30 September 2022 - unaudited	434,690,520	321,843	1,022,641,034	4,770,326,119	6,227,979,516

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 period ended 30 September 2022

	First Quarter ended	
	30 September 2022	30 September 2021
----- Rupees -----		
<u>Cash flow from operating activities</u>		
Profit before taxation	157,093,501	219,217,584
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	90,529,788	80,927,936
Amortisation of intangible assets	141,132	76,320
Gain on disposal of property, plant and equipment	(8,126,248)	(10,591,456)
Finance cost	20,377,337	3,841,214
Gain on re-measurement of short term investments to fair value	(11,076,367)	(11,310,242)
Dividend income	(14,527,943)	(14,690,611)
Profit on bank deposits	(326,765)	(905,313)
Share in profit of Farmacia	(6,311,736)	(6,768,300)
Workers' Profit Participation Fund	8,466,877	15,683,198
Central Research Fund	1,710,479	3,168,323
Workers' Welfare Fund	3,777,172	4,486,277
	84,633,726	63,917,346
Cash generated from operations before working capital changes	241,727,227	283,134,930
<u>Effect on cash flow due to working capital changes</u>		
<i>Decrease / (increase) in current assets</i>		
Stores, spare parts and loose tools	(2,686,704)	(942,368)
Stock in trade	228,058,187	2,460,600
Trade debts - <i>considered good</i>	(52,266,788)	23,366,791
Loans and advances - considered good	(24,051,977)	(24,443,463)
Deposits and prepayments	(31,988,721)	(28,452,185)
Other receivables	(51,819)	(11,306,432)
	117,012,178	(39,317,057)
<i>Increase in current liabilities</i>		
Trade and other payables	(102,724,971)	(90,966,819)
Contract liabilities	(25,229,141)	80,048,465
	230,785,293	232,899,519
Cash generated from operations	230,785,293	232,899,519
Taxes paid	(65,112,345)	(53,233,190)
Workers' Profit Participation Fund paid	(10,268,358)	-
Net cash generated from operating activities	155,404,590	179,666,329
<u>Cash flow from investing activities</u>		
Fixed capital expenditure incurred	(119,737,026)	(106,060,389)
Dividend income received	-	18,344
Proceeds from sale of property, plant and equipment	13,940,774	13,876,671
Profit on bank deposits received	326,766	905,313
Short term investments - <i>net</i>	2,213,121	(147,796,410)
Net cash used in investing activities	(103,256,365)	(239,056,471)
<u>Cash flow from financing activities</u>		
Long term loan paid	(42,750,000)	(42,750,000)
Finance cost paid	(19,859,114)	(4,102,815)
Dividend paid	(192,697)	(27,615)
Net cash used in financing activities	(62,801,811)	(46,880,430)
Net decrease in cash and cash equivalents	(10,653,586)	(106,270,572)
Cash and cash equivalents at the beginning of the period	(163,062,882)	399,374,281
Cash and cash equivalents at the end of the period	(173,716,468)	293,103,709
<i>Cash and cash equivalents comprise of the following</i>		
Cash and bank balances	170,216,015	293,103,709
Running finance	(343,932,483)	-
	(173,716,468)	293,103,709

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 period ended 30 September 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 30 September 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 2022. 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 2022, 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 period ended 30 September 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 2022.

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 2022.

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 30 September 2022 (Number of shares)	Audited 30 June 2022	Un-audited 30 September 2022 (Rupees)	Audited 30 June 2022
<i>Authorised share capital</i>				
Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000,000	500,000,000
<i>Issued, subscribed and paid-up share capital</i>				
Voting ordinary shares of Rs. 10 each fully paid up in cash	1,441,952	1,441,952	14,419,520	14,419,520
Voting ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	119,600	119,600	1,196,000	1,196,000
Voting ordinary shares of Rs. 10 each issued as bonus shares	41,907,500	34,662,658	419,075,000	346,626,580
	43,469,052	36,224,210	434,690,520	362,242,100

KFW Factors (Private) Limited, an associated company holds 11,933,194 (30 June 2022: 9,944,329) ordinary shares of Rs. 10 each of the Company, representing 27.45% (30 June 2022: 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 2022.

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 2022.

		Un-audited 30 September 2022	Audited 30 June 2022
		-----Rupees-----	
6	Property, plant and equipment		
	Operating fixed assets	3,139,768,756	3,137,058,744
	Capital work-in-progress	408,384,382	387,701,682
		3,548,153,138	3,524,760,426
6.1	Operating fixed assets		
	<u>Cost</u>		
	Opening balance at beginning of the period / year	4,031,066,603	3,771,507,839
	Additions / transfers during the period / year	99,054,255	337,348,564
	Disposals during the period / year	(22,704,139)	(77,789,800)
	Closing balance at end of the period / year	4,107,416,719	4,031,066,603
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year	894,007,859	626,309,836
	Depreciation for the period / year	90,529,717	334,432,009
	On disposals	(16,889,613)	(66,733,986)
	Closing balance at end of the period / year	967,647,963	894,007,859
	Operating fixed assets - net book value	3,139,768,756	3,137,058,744
7	Long term investments - related parties		
	<u>Related parties - at cost</u>		
	<i>Farmacia (Partnership firm):</i>		
	Capital held: 98% (30 June 2022: 98%) Managing Partner - Osman Khalid Waheed	222,650,626	216,338,890
	<i>BF Biosciences Limited (unlisted subsidiary):</i>		
	15,199,996 (30 June 2022: 15,199,996) fully paid ordinary shares of Rs. 10 each	151,999,960	151,999,960
	Equity held: 80% (30 June 2022: 80%) Chief Executive Officer - Mrs. Akhter Khalid Waheed	374,650,586	368,338,850
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 2022: 80%) of equity of the subsidiary and the remaining 20% is held by Group Empresarial Bagó S.A., Spain.		

		Un-audited 30 September 2022	Audited 30 June 2022
8 Short term investments	<i>Note</i>	----- Rupees -----	
<u>Investments at fair value through profit or loss</u>			
Mutual fund	<i>8.1</i>	718,481,186	695,089,997
8.1 These investments are measured at 'fair value through Profit or Loss'			
Fair value at 01 July		695,089,997	1,080,776,249
Dividend re-invested / (redemption) during the period / year - net		12,314,822	(392,300,764)
Realized gain on sale of investments during the period / year		-	4,006,688
Unrealized gain on re-measurement of investment during the period / year		11,076,367	2,607,824
Fair value of investments at 30 September / 30 June	<i>8.1.1</i>	718,481,186	695,089,997

8.1.1 Mutual fund wise detail is as follows:

	Units		Fair value	
	Un-audited 30 September 2022	Audited 30 June 2022	Un-audited 30 September 2022	Audited 30 June 2022
Number.....	Rupees.....	
HBL Money Market Fund	2,883,743	2,883,743	307,003,007	296,411,019
MCB Cash Management Optimizer Fund	10,939	10,939	1,109,225	1,109,225
HBL Cash Fund	442,861	433,153	45,352,448	43,884,004
Pakistan Cash Management Fund	7,241,418	7,016,903	365,016,506	353,685,749
			718,481,186	695,089,997

8.2 The investments amounting to Rs. 666.67 million (30 June 2022: Rs. 666.67 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. 0.0024 million (30 June 2022: Rs. 0.0024 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 0.91 million (30 June 2022: Rs. 8.80 million) under mark up arrangements, which carry interest rates ranging from 12.25% to 13.51% (30 June 2022: 5.50% - 12.25%) per annum.

These also include deposit account of Rs. 0.199 million (30 June 2022: Rs. 0.195 million) under Shariah compliant arrangements, which carries profit rate of 6.50% (30 June 2022: 2.95% - 6.01%) per annum.

10 Revenue - net

Gross sales:

Local

Export

Less:

Sales returns

Discounts

Sales tax

(Un-audited) First Quarter ended	
31 September 2022	31 September 2021
----- Rupees -----	
2,324,800,538	1,679,455,748
202,638,784	106,416,670
2,527,439,322	1,785,872,418
(57,738,678)	(8,712,901)
(166,277,996)	(79,885,566)
(16,927,992)	(4,087,736)
(240,944,666)	(92,686,203)
2,286,494,656	1,693,186,215

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.

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) First Quarter ended	
	31 September 2022	31 September 2021
	----- Rupees -----	
<u>Farmacia - 98% owned subsidiary partnership firm</u>		
Sale of medicines	22,117,805	5,436,094
Payment received against sale of finished goods	22,117,805	5,436,094
Share of profit reinvested	6,311,736	6,768,300
Rentals paid	14,122,292	1,283,904
<u>BF Biosciences Limited - 80% owned subsidiary company</u>		
Sale of finished goods	104,805,648	14,436,475
Payment received against sale of finished goods	104,805,648	14,436,475
Purchase of goods	9,869,797	2,676,289
Payment made against purchase of goods	9,869,797	2,676,289
Corporate guarantee income	1,755,000	-
Expenses incurred - <i>net</i>	1,763,791	183,135
Payment received against expenses incurred - <i>net</i>	1,763,791	183,135
<u>Other related parties</u>		
Contribution towards employees' provident fund	15,631,750	12,858,206
Remuneration including benefits and perquisites of key management personnel	53,844,583	52,307,289
Fee paid to M/s Khan and Piracha against consultancy	455,000	-
Rent paid to Director against office	1,317,690	1,197,900

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

	30 September 2022				
	Unpaid dividend	Unclaimed dividend	Accrued mark-up	Long term loan	Total
	----- Rupees -----				
Balance as at 01 July	-	91,693,095	18,789,481	85,500,000	195,982,576
<u>Changes from financing cash flows</u>					
Dividend paid	-	(192,697)	-	-	(192,697)
Repayment of long term loan	-	-	-	(42,750,000)	(42,750,000)
Finance cost paid	-	-	(19,859,114)	-	(19,859,114)
Total changes from financing cash flows	-	(192,697)	(19,859,114)	(42,750,000)	(62,801,811)
<u>Other changes</u>					
Dividend approved	181,121,050	-	-	-	181,121,050
Interest / markup expense	-	-	20,377,337	-	20,377,337
Total liability related other changes	181,121,050	-	20,377,337	-	201,498,387
Balance as at 30 September	181,121,050	91,500,398	19,307,704	42,750,000	334,679,152

	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 -----							
30 June 2022 (Audited)							
Financial assets measured at fair value:	695,089,997	-	-	695,089,997	695,089,997	-	-
<u>Financial assets not measured at fair value</u>							
Long term deposits	-	9,717,325	-	9,717,325	-	-	-
Trade debts	-	1,065,839,706	-	1,065,839,706	-	-	-
Loans and advances	-	1,461,513	-	1,461,513	-	-	-
Deposits	-	93,772,546	-	93,772,546	-	-	-
Other receivables	-	40,990,613	-	40,990,613	-	-	-
Cash and bank balances	-	180,113,540	-	180,113,540	-	-	-
	-	1,391,895,243	-	1,391,895,243	-	-	-
Financial liabilities measured at fair value:	-	-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Trade and other payables	-	-	1,906,206,861	1,906,206,861	-	-	-
Unclaimed dividend	-	-	91,693,095	91,693,095	-	-	-
Long term loans - secured	-	-	85,500,000	85,500,000	-	-	-
Short term borrowings - secured	-	-	343,176,422	343,176,422	-	-	-
Accrued mark-up	-	-	18,789,481	18,789,481	-	-	-
	-	-	2,445,365,859	2,445,365,859	-	-	-

15 Subsequent event and date of authorization for issue

The Board of Directors of the Company in its meeting held on 22 October 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.

Chief Executive Officer

Chief Financial Officer

Director



CONSOLIDATED FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 30 September 2022

	Un-audited 2022	Audited 2022	
	----- Rupees -----		
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital			
50,000,000 (30 June 2022: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000	
Issued, subscribed and paid up capital	434,690,520	362,242,100	
Capital reserve	321,843	321,843	
Revaluation surplus on property, plant and equipment	1,286,859,246	1,304,895,242	
Accumulated profits	5,991,133,872	6,100,332,603	
Equity attributable to owners of the Company	7,713,005,481	7,767,791,788	
Non-controlling interests	536,536,411	530,676,857	
	8,249,541,892	8,298,468,645	
<u>Non current liabilities</u>			
Long term loans- secured	1,854,066,598	1,537,069,424	
Deferred grant	366,372,442	331,334,784	
Deferred taxation	399,684,809	408,638,089	
	2,620,123,849	2,277,042,297	
<u>Current liabilities</u>			
Trade and other payables	2,385,543,341	2,427,106,729	
Current portion of long term liabilities	262,353,861	219,552,692	
Contract liabilities	88,007,989	123,087,098	
Short term borrowings - secured	560,686,453	492,524,265	
Unpaid dividend	181,121,050	-	
Unclaimed dividend	91,500,398	91,693,095	
Accrued mark-up	37,789,505	32,613,579	
	3,607,002,597	3,386,577,458	
Contingencies and commitments	14,476,668,338	13,962,088,400	
	14,476,668,338	13,962,088,400	

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

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

For the period ended 30 September 2022

	Note	First Quarter ended	
		30 September 2022	30 September 2021
		----- Rupees -----	
Revenue - net	10	2,566,996,821	2,223,282,284
Cost of sales	11	(1,489,924,570)	(1,198,797,940)
Gross profit		1,077,072,251	1,024,484,344
Administrative expenses		(171,584,475)	(136,219,020)
Selling and distribution expenses		(611,189,254)	(462,665,538)
Other expenses		(144,245,078)	(108,494,121)
Other income		74,642,779	90,751,221
Profit from operations		224,696,223	407,856,886
Finance cost		(34,670,058)	(27,192,799)
Profit before taxation		190,026,165	380,664,087
Taxation		(57,831,868)	(79,674,096)
Profit after taxation		132,194,297	300,989,991
<i>Attributable to:</i>			
Owners of the Group		126,334,743	273,431,879
Non-controlling interests		5,859,554	27,558,112
Profit after taxation		132,194,297	300,989,991
Earnings per share - <i>basic and diluted</i>		2.91	<i>Re-stated</i> 6.29

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited

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

For the period ended 30 September 2022

	First Quarter ended	
	30 September 2022	30 September 2021
	----- Rupees -----	
Profit after taxation	132,194,297	300,989,991
<i>Items that will not be reclassified to profit or loss</i>		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	132,194,297	300,989,991
<i>Attributable to:</i>		
Owners of the Group	126,334,743	273,431,879
Non-controlling interests	5,859,554	27,558,112
	132,194,297	300,989,991

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the period ended 30 September 2022

	Atributable to Owners of the Company						
	Capital reserve			Revenue reserve			
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profits	Total	Non-controlling interest	Total
	----- Rupees -----						
Balance as at 01 July 2021	362,242,100	321,843	1,398,041,802	5,654,146,269	7,414,752,014	418,137,531	7,832,889,544
Total comprehensive income for the period							
Profit after taxation	-	-	-	273,431,879	273,431,879	27,558,112	300,989,991
Equity reserve pertaining to convertible loan obtained during the period - net of tax	-	-	-	-	-	35,551,883	35,551,883
Surplus transferred to accumulated profit:							
on account of incremental depreciation on property, plant and equipment changed during the period - net of tax	-	-	(18,926,613)	18,926,613	-	-	-
Balance as at 30 September 2021 - un-audited	362,242,100	321,843	1,379,115,189	5,946,504,761	7,688,183,893	481,247,526	8,169,431,418
Balance as at 01 July 2022	362,242,100	321,843	1,304,895,242	6,100,332,603	7,767,791,788	530,676,857	8,298,468,645
Total comprehensive income for the period							
Surplus transferred to accumulated profit:							
on account of incremental depreciation on property, plant and equipment changed during the period - net of tax	-	-	(18,035,996)	18,035,996	-	-	-
Transactions with owners of the Company, recognized directly in equity - Distributions							
Final dividend for the year ended 30 June 2022 at Rs. 5 per share	72,448,420	-	-	(181,121,050)	(181,121,050)	-	(181,121,050)
Issuance of bonus shares at 20%	72,448,420	-	-	(72,448,420)	-	-	-
				(253,569,470)	(181,121,050)	-	(181,121,050)
Balance as at 30 June 2022	434,690,520	321,843	1,286,859,246	5,991,133,872	7,713,005,481	536,536,411	8,249,541,892

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the period ended 30 September 2022

Cash flow from operating activities

	First Quarter ended	
	30 September 2022	30 September 2021
	----- Rupees -----	
Profit before taxation	190,026,165	380,664,087
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	113,101,539	101,306,418
Amortization of intangible assets	233,362	76,320
Gain on disposal of property, plant and equipment	(8,149,991)	(12,127,689)
Finance costs	34,670,058	27,192,799
Gain on re-measurement of short term investments to fair value	(19,958,694)	(17,397,949)
Gain on sale of short term investments	(5,459,552)	-
Dividend income	(39,347,539)	(31,733,452)
Profit on deposits with bank	(1,008,253)	(5,391,056)
Workers' Profit Participation Fund	11,078,308	25,018,646
Central Research Fund	2,238,042	5,054,272
Workers' Welfare Fund	4,769,516	4,144,296
	92,166,796	96,142,605
Cash generated from operations before working capital changes	282,192,961	476,806,692
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(2,578,637)	(6,042,462)
Stock in trade	63,003,062	(2,634,135)
Trade debts	(89,112,866)	71,325,139
Loans and advances - <i>considered good</i>	(62,535,189)	(50,630,450)
Deposits and prepayments	(71,955,698)	-
Other receivables	(1,148,689)	-
	(164,328,017)	12,018,092
<i>Decrease in current liabilities</i>		
Trade and other payables	(39,840,896)	(6,534,716)
Contract liabilities	(35,079,109)	-
	42,944,939	482,290,068
Cash generated from operations	42,944,939	482,290,068
Taxes paid	(82,796,283)	(65,063,421)
Workers' Profit Participation Fund paid	(19,808,358)	-
Net cash (used in) / generated from operating activities	(59,659,702)	417,226,647
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(1,021,021,973)	(310,374,900)
Acquisition of intangibles	(1,660,332)	-
Dividend income received	39,347,539	31,733,452
Proceeds from sale of property, plant and equipment	13,964,526	15,412,893
Profit on term deposits received	1,008,253	5,391,056
Short term investments - <i>net</i>	541,489,192	(546,955,095)
Net cash used in investing activities	(426,872,795)	(804,792,594)
<u>Cash flow from financing activities</u>		
Long term loan received	441,961,001	323,521,000
Long term loan paid	(47,125,000)	-
Finance cost paid	(29,494,132)	(24,161,884)
Dividend paid	(192,697)	(27,615)
Net cash generated from financing activities	365,149,172	299,331,501
Net decrease in cash and cash equivalents	(121,383,325)	(88,234,446)
Cash and cash equivalents at the beginning of the period	(76,693,469)	830,509,036
Cash and cash equivalents at the end of the period	(198,076,794)	742,274,590
Cash and cash equivalents comprise of the following:		
Cash and bank balances	362,609,659	742,274,590
Running finance	(560,686,453)	-
	(198,076,794)	742,274,590

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 period ended 30 September 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 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 %	
			30 September 2022	30 June 2022
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 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.

2 Basis of consolidation

These consolidated financial information includes the financial statements of Ferozsons Laboratories Limited and its subsidiaries – BF Biosciences Limited and Farmacia (“hereinafter referred as the Group”).

Subsidiaries are those entities, including an unincorporated entities such as a partnership that are controlled by another entity (known as the parent). The financial statements of the subsidiaries are included in the consolidated financial information from the date, the control commences, until the date when that control ceases. The financial statements of the subsidiaries have been consolidated on line by line basis. Details of the subsidiaries are given in Note 1.

All material inter-organization balances, transactions and resulting unrealized profits / losses have been eliminated.

3 Basis of preparation

3.1 Statement of compliance

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

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

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

3.2 Basis of accounting

3.2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Holding Company, as at 30 September 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 2022.

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 2022, whereas comparative consolidated statement of profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim consolidated financial statements of the Holding Company for the three months period ended 30 September 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 2022.

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 2022.

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 2022.

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 2022.

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 2022.

		Un-audited 30 September 2022	Audited 30 June 2022
		-----Rupees-----	
7 Property, plant and equipment	<i>Note</i>		
Operating fixed assets	<i>7.1</i>	3,777,970,817	3,776,299,211
Capital work-in-progress		3,237,415,680	2,336,981,387
		<u>7,015,386,497</u>	<u>6,113,280,598</u>
7.1 Operating fixed assets			
<u>Cost</u>			
Opening balance at beginning of the period / year		4,876,929,622	4,537,051,416
Additions / transfers during the period / year		120,587,553	427,568,560
Disposals during the period / year		(22,849,713)	(87,690,354)
Closing balance at end of the period / year		4,974,667,462	4,876,929,622
<u>Less: Accumulated depreciation</u>			
Opening balance at beginning of the period / year		1,100,630,411	755,325,584
Depreciation for the period / year		113,101,412	420,851,833
On disposals		(17,035,178)	(75,547,006)
Closing balance at end of the period / year		1,196,696,645	1,100,630,411
Operating fixed assets - net book value		<u>3,777,970,817</u>	<u>3,776,299,211</u>

Un-audited Audited
30 September 30 June
2022 2022

Note ----- Rupees -----

8 Short term investments

Investments at fair value through profit or loss

Mutual fund	8.1	<u>1,520,281,638</u>	<u>2,036,352,584</u>
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8.1 These investments are measured at 'fair value through Profit or Loss'

Fair value at 01 July		2,036,352,584	1,940,494,936
(Redemption) / acquisition during the period / year - <i>Net</i>		(541,489,192)	87,168,953
Realized gain on sale of investments during the period / year		5,459,552	4,097,022
Unrealized gain on re-measurement of investment during the period / year		19,958,694	4,591,673
Fair value of investments at 30 September / 30 June	8.1.1	<u>1,520,281,638</u>	<u>2,036,352,584</u>

Units		Fair value	
Un-audited	Audited	Un-audited	Audited
30 September	30 June	30 September	30 June
2022	2022	2022	2022
.....Number.....	Rupees.....	

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	3,224,246	3,224,246	343,252,887	331,368,588
HBL Cash Fund	5,037,350	9,690,286	515,863,894	980,915,997
ABL Cash Fund	22,951,776	32,026,317	236,697,098	327,594,045
Pakistan Cash Management Fund	7,241,418	7,016,903	365,016,506	353,685,749
MCB Cash Management Optimizer Fund	586,372	422,381	59,451,253	42,788,205
			<u>1,520,281,638</u>	<u>2,036,352,584</u>

9 Cash and bank balances

9.1 These include current account of Rs. 0.0024 million (30 June 2022: Rs. 0.0024 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 6.23 million (30 June 2022: Rs. 40.12 million) under mark up arrangements, which carry interest rates ranging from 12.25% to 13.51% (30 June 2022: 5.50% - 5.51%) per annum.

These also include deposit account of Rs. 0.199 million (30 June 2022: Rs. 0.195 million) under Shariah compliant arrangements, which carries profit rate of 6.50% (30 June 2022: 2.75% - 2.90%) per annum.

		(Un-audited) First Quarter ended	
		31 September 2022	31 September 2021
		----- Rupees -----	
10	Revenue - net		
	<i>Gross sales:</i>		
	Local	2,651,984,684	1,943,415,778
	Export	225,256,670	434,905,004
		2,877,241,354	2,378,320,782
	<i>Less:</i>		
	Sales returns	(69,534,195)	(20,092,709)
	Discounts	(220,699,158)	(130,280,294)
	Sales tax	(20,011,180)	(4,665,495)
		(310,244,533)	(155,038,498)
		2,566,996,821	2,223,282,284

Note

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) First Quarter ended	
		31 September 2022	31 September 2021
		----- Rupees -----	
11	Cost of sales		
	Raw and packing materials consumed	702,270,883	496,171,421
	Other manufacturing expenses	362,774,787	385,934,983
		1,065,045,670	882,106,404
	<i>Work in process:</i>		
	Opening	187,423,025	222,049,849
	Closing	(346,466,124)	(164,529,001)
		(159,043,099)	57,520,848
	Cost of goods manufactured	906,002,571	939,627,252
	<i>Finished stock:</i>		
	Opening	1,540,438,988	847,865,891
	Purchases made during the period	440,060,829	289,368,899
	Closing	(1,396,577,818)	(878,064,102)
		583,921,999	259,170,688
		1,489,924,570	1,198,797,940
11.1	Raw and packing materials consumed		
	Opening	1,006,691,172	676,960,285
	Purchases made during the period	819,705,525	653,736,280
		1,826,396,697	1,330,696,565
	Closing	(1,124,125,814)	(834,525,144)
		702,270,883	496,171,421

12 Transactions with related parties

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

	(Un-audited) First Quarter ended	
	31 September 2022	31 September 2021
	----- Rupees -----	
Other related parties		
Contribution towards employees' provident fund	18,557,749	14,606,211
Remuneration including benefits and perquisites of key management personnel	53,844,583	71,676,074
Purchases from Bago Laboratories Pte. Limited	5,000,390	-
Payment made to Bago Laboratories Pte. Limited against purchases	19,580,844	-
Fee paid to Khan and Piracha	455,000	-
Rent paid to Director against office	1,317,690	1,197,900

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

	Unpaid dividend	Unclaimed dividend	Accrued mark-up	Long term loan	Total
	----- Rupees -----				
As at 01 July 2022	-	91,693,095	32,613,579	2,087,956,900	2,212,263,574
<u>Changes from financing cash flows</u>					
Dividend paid	-	(192,697)	-	-	(192,697)
Repayment of long term loan	-	-	-	(47,125,000)	(47,125,000)
Finance cost paid	-	-	(29,494,132)	-	(29,494,132)
Total changes from financing cash flows	-	(192,697)	(29,494,132)	(47,125,000)	(76,811,829)
<u>Other changes</u>					
Dividend approved	181,121,050	-	-	-	181,121,050
Interest / markup expense	-	-	34,670,058	-	34,670,058
Proceeds of loan during the period	-	-	-	441,961,001	441,961,001
Total liability related other changes	181,121,050	-	34,670,058	441,961,001	657,752,109
As at 30 September 2022	181,121,050	91,500,398	37,789,505	2,482,792,901	2,793,203,854

14 Financial risk management and financial instruments - fair value

14.1 The Group's financial risk management objective and policies are consistent with that disclosed in the annual consolidated financial statements of the Holding Company for the year ended 30 June 2022. 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 amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
30 September 2022 (Un-audited)							
Financial assets measured at fair value:							
Short term investments	1,520,281,638	-	-	1,520,281,638	1,520,281,638	-	-
Financial assets not measured at fair value:							
Long term deposits	-	14,544,325	-	14,544,325	-	-	-
Trade debts - considered good	-	1,229,021,596	-	1,229,021,596	-	-	-
Loans and advances - considered good	-	3,723,856	-	3,723,856	-	-	-
Short term deposits	-	177,741,338	-	177,741,338	-	-	-
Other receivables	-	37,478,784	-	37,478,784	-	-	-
Cash and bank balances	-	362,609,659	-	362,609,659	-	-	-
	-	1,825,119,558	-	1,825,119,558	-	-	-
Financial liabilities measured at fair value:							
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	2,234,478,828	2,234,478,828	-	-	-
Unpaid dividend	-	-	181,121,050	181,121,050	-	-	-
Unclaimed dividend	-	-	91,500,398	91,500,398	-	-	-
Short term borrowings - secured	-	-	560,686,453	560,686,453	-	-	-
Accrued mark-up	-	-	37,789,505	37,789,505	-	-	-
	-	-	3,105,576,234	3,105,576,234	-	-	-

30 June 2022 (Audited)**Financial assets measured at fair value:**

Short term investments	2,036,352,584	-	-	2,036,352,584	2,036,352,584	-
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Financial assets not measured at fair value:

Long term deposits	-	14,544,325	-	14,544,325	-	-
Trade debts - considered good	-	1,139,908,730	-	1,139,908,730	-	-
Loans and advances - considered good	-	1,461,513	-	1,461,513	-	-
Short term deposits	-	124,005,237	-	124,005,237	-	-
Other receivables	-	32,538,147	-	32,538,147	-	-
Cash and bank balances	-	415,830,796	-	415,830,796	-	-
	-	1,728,288,748	-	1,728,288,748	-	-

Financial liabilities measured at fair value:

	-	-	-	-	-	-
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Financial liabilities not measured at fair value:

Trade and other payables	-	-	2,276,796,186	2,276,796,186	-	-
Unclaimed dividend	-	-	91,693,095	91,693,095	-	-
Short term borrowings - secured	-	-	492,524,265	492,524,265	-	-
Accrued mark-up	-	-	32,613,579	32,613,579	-	-
	-	-	2,893,627,125	2,893,627,125	-	-

15 Subsequent event and date of authorization for issue

The Board of Directors of the Holding Company in its meeting held on 22 October 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

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