



35 YEARS
OF TRUST & DEVOTION

**PEOPLE
TRUST
US**

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
30 SEPTEMBER 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 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,
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Telephone: +92-51-4252155-57
Fax: +92-51-4252153
Email: cs@ferozsons-labs.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Farhan Rafiq

SHARE REGISTRAR

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HEAD OF INTERNAL AUDIT

Mr. Rizwan Hameed Butt

FACTORY

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Nowshera (KPK), Pakistan
Telephone: +92-923-614295, 610159
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EXTERNAL AUDITORS

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Chartered Accountants

SALES OFFICE, KARACHI

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Society, Shahrah-e-Faisal,
Karachi, Pakistan
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INTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

HEAD OFFICE

5 K.M - Sunder Raiwind Road
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BANKERS

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

SALES OFFICE, LAHORE

43-Al Noor Building, Bank Square
The Mall, Lahore, Pakistan
Telephone: +92-42-37358194
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DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2024

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 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 Individual and Consolidated Financial Results

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

	Individual		Consolidated	
	3 Months 30-Sep-24	3 Months 30-Sep-23	3 Months 30-Sep-24	3 Months 30-Sep-23
	(Rupees in thousands)			
Revenue - net	3,356,579	3,622,967	4,528,986	4,428,541
Gross profit	1,306,838	1,337,294	1,853,002	1,719,347
Profit before tax	198,492	303,628	360,423	466,214
Taxation	(57,981)	(123,112)	(119,402)	(184,745)
Profit after tax	140,511	180,516	241,020	281,469

Review of Ferozsons Laboratories Limited:

The Company's consolidated net sales closed at Rs. 4,529 million, depicting a growth of 2% over the same period last year. On a standalone basis, the Company's net sales closed at Rs. 3,357 million, representing a decline of 7% over the same period last year.

In-market generic sales have witnessed a growth of 19%, whereas institutional sales of generics and medical devices declined by 40%. The decline in institutional sales is primarily due to medical devices tenders supplied in the same period last year.

Trade debts have been increased by 19% and are closed at Rs. 2,617 million. These mostly consists of receivables from government institutions against supplies of medical devices. However, recovery of these receivables is slower than anticipated and the Company is actively engaging with these institutions for earliest settlement of receivables.

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 decreased by 5% whereas other expenses declined by 24% over the same period last year.

Finance costs increased by 99% due to higher utilization of running finance facilities to bridge the gap created in cashflows on account of delay in trade receivables from government institutions.

Net profit after tax closed at Rs. 140 million for the three months ended 30 September 2024, depicting a decrease of 22% compared to the same period last year. Based on the net profit after tax for the three months ended 30 September 2024, the earnings per share (EPS) stands at Rs. 3.23 compared to Rs. 4.51 in same period last year.

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2024

Review of BF Biosciences Limited (Subsidiary Company):

The sales of the subsidiary Company, BF Biosciences Limited have closed at Rs. 1,386 million, compared to Rs. 965 million, depicting a growth of 44% over the same period last year. The profit after tax of the Company closed at Rs. 115 million against Rs. 101 million achieved same period last year, depicting an increase of 14%. Based on the profit after tax, the earnings per share for the three months ended 30 September 2024 translates into Rs. 1.82 compared to Rs. 1.59 in the same period last year.

Regarding BFBIO's expansion project, the prefilled syringes line has been successfully commissioned and commercial production has been commenced from the said line. The lyophilizer and combi filling lines have been installed and validated, and commercial production from this line is also expected to commence shortly. In parallel, the Company is in process of procuring raw materials for the finished products planned to be manufactured on combi line.

Future Outlook

The slow recovery of trade debts from government institutions has become a significant short-term challenge for the Company, as we are utilizing running finance facilities to bridge the cashflows gap. This has led to higher finance costs that are adversely affecting the Company's bottom line. We are actively engaged with representatives of these government institutions and are hopeful of timely settlement.

Going forward, with the expected easing in monetary policy by the central bank, finance cost of the Company is expected to reduce, thereby making our medical devices business sustainable.

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

28 October 2024

30 ستمبر 2024 کو ختم ہونے والے تین ماہ کے لیے خالص منافع بعد از ٹیکس 140 ملین روپے رہا، جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 22% کی کمی کو ظاہر کرتا ہے۔ 30 ستمبر 2024 کو ختم ہونے والے تین ماہ کے خالص منافع کی بنیاد پر، فی شیئر آمدنی (EPS) 3.23 روپے ہے، جبکہ پچھلے سال کی اسی مدت میں یہ 4.51 روپے تھی۔

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

ذیلی کمپنی، بی ایف بائیو سائنسز لمیٹڈ کی فروخت 1,386 ملین روپے رہی، جو پچھلے سال کی اسی مدت میں 965 ملین روپے کے مقابلے میں 44% کا اضافہ ظاہر کرتی ہے۔ کمپنی کا بعد از ٹیکس منافع 115 ملین روپے رہا، جبکہ پچھلے سال کی اسی مدت میں یہ 101 ملین روپے تھا، جو 14% کا اضافہ ہے۔ بعد از ٹیکس منافع کی بنیاد پر، 30 ستمبر 2024 کو ختم ہونے والے تین ماہ کے لیے فی شیئر آمدنی 1.82 روپے ہے، جبکہ پچھلے سال کی اسی مدت میں یہ 1.59 روپے تھی۔

بی ایف بائیو سائنسز کے توسیعی منصوبے کے حوالے سے، پری فلڈ سرنجری لائن کو کامیابی کے ساتھ شروع کر دیا گیا ہے اور اس لائن سے تجارتی پیداوار کا آغاز ہو چکا ہے۔ لایو فیلیزر اور کمبی فلنگ لائنز نصب کی جا چکی ہیں اور ان کی تصدیق بھی ہو چکی ہے، اور اس لائن سے بھی جلد ہی تجارتی پیداوار شروع ہونے کی توقع ہے۔ اس کے ساتھ ساتھ، کمپنی کمبی لائن پر تیار کی جانے والی مکمل مصنوعات کے لیے خام مال کی خریداری کے عمل میں ہے۔

مستقبل کا نقطہ نظر

سرکاری اداروں سے تجارتی قرضوں کی سست رفتار وصولی کمپنی کے لیے ایک اہم عارضی چیلنج بن گئی ہے، کیونکہ ہم کیش فلو کے فرق کو پورا کرنے کے لیے قلیل مدت مالی سہولیات کا استعمال کر رہے ہیں۔ اس کے نتیجے میں مالی اخراجات میں اضافہ ہوا ہے جو کمپنی کے منافع پر منفی اثر ڈال رہا ہے۔ ہم ان سرکاری اداروں کے نمائندوں کے ساتھ سرگرمی سے رابطے میں ہیں اور بروقت تصفیے کی امید رکھتے ہیں۔

مستقبل میں مرکزی بینک کی جانب سے مالیاتی پالیسی میں متوقع کمی کے ساتھ، کمپنی کے مالی اخراجات میں کمی آنے کی امید ہے، جس سے ہمارے طبی آلات کے کاروبار کو پائیدار بنائے گا۔

اظہار تشکر

ہم کمپنی کے مقاصد کے حصول کے لئے اپنے ملازمین کی اہم کوششوں اور وابستگیوں پر اظہار تشکر کرنا چاہتے ہیں۔ مزید برآں مستقل حمایت اور کمپنی پر اعتماد کے لئے ہم اپنے اعلیٰ عہدیدارن، کاروباری شراکت داروں اور معزز صارفین کا بھی 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 2024 کو اختتام پذیر ہونے والے تین ماہ کی مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات کے بارے میں ڈائریکٹرز کا جائزہ

ہم 30 ستمبر 2024 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% ملکیتی منصوبے فارمیسیا (Farmacia) اور ذیلی کمپنی BF بایوسائنسز 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	
30- ستمبر - 2023	30- ستمبر - 2024	30- ستمبر - 2023	30- ستمبر - 2024	
(روپے ہزار میں)				
4,428,541	4,528,986	3,622,967	3,356,579	آمدنی - خالص
1,719,347	1,853,002	1,337,294	1,306,838	مجموعی منافع
466,214	360,423	303,628	198,492	قبل از ٹیکس منافع
(184,745)	(119,402)	(123,112)	(57,981)	ٹیکسیشن (Taxation)
281,469	241,020	180,516	140,511	بعد از ٹیکس منافع

فیروز سنز لیبارٹریز لمیٹڈ کا جائزہ

کمپنی کی مجموعی خالص فروخت 4,529 ملین روپے پر بند ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 2% اضافے کی عکاسی کرتی ہے۔ انفرادی طور پر، کمپنی کی خالص فروخت 3,357 ملین روپے پر بند ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 7% کمی کو ظاہر کرتی ہے۔

بازار میں عام فروخت میں 19% اضافہ دیکھا گیا ہے، جبکہ ادارہ جاتی سطح پر جزک اور طبی آلات کی فروخت میں 40% کمی دیکھنے میں آئی ہے۔ ادارہ جاتی فروخت میں کمی کی بنیادی وجہ وہ طبی آلات ہیں جو پچھلے سال کی اسی مدت میں ٹینڈر کے ذریعے فراہم کیے گئے تھے۔

تجارتی قرضوں میں 19% اضافہ ہوا ہے اور یہ 2,617 ملین روپے پر بند ہوئے ہیں۔ ان میں زیادہ تر وہ رقوم شامل ہیں جو سرکاری اداروں سے طبی آلات کی فراہمی کے بدلے وصول کی جاتی ہیں۔ تاہم، ان رقوم کی وصولی توقع سے زیادہ سست رفتار ہے اور کمپنی ان اداروں کے ساتھ فعال طور پر رابطے میں ہے تاکہ جلد از جلد وصولیوں کا تصفیہ کیا جاسکے۔

کمپنی کا مجموعی منافع ("GP") مارچن اس وقت 39% ہے، جبکہ پچھلے سال کی اسی مدت میں یہ 37% تھا۔ GP مارچن میں یہ اضافہ بنیادی طور پر سیلز مگس میں تبدیلی اور قیمتوں میں اضافے کی عکاسی کرتا ہے۔

سیلنگ اور ڈسٹریبیوٹن کے اخراجات میں 5% کمی آئی ہے، جبکہ دیگر اخراجات میں پچھلے سال کی اسی مدت کے مقابلے میں 24% کمی ہوئی ہے۔ مالی اخراجات میں 99% اضافہ ہوا ہے، جو کہ سرکاری اداروں سے تجارتی وصولیوں میں تاخیر کی وجہ سے پیدا ہونے والے کیش فلو کے فرق کو پورا کرنے کے لیے قلیل مدت مالی سہولیات کے زیادہ استعمال کی وجہ سے ہے۔



OUR FINANCIAL STATEMENTS

Ferozsons Laboratories Limited

Condensed Interim Unconsolidated Statement of Financial Position

As at 30 September 2024

EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital
150,000,000 (2024: 150,000,000) ordinary
shares of Rs. 10 each

Issued, subscribed and paid up capital
Capital reserve
Revaluation surplus on property,
plant and equipment
Accumulated profit

	Un-audited 30 September 2024	Audited 30 June 2024
	<u>1,500,000,000</u>	<u>1,500,000,000</u>
	434,690,520	434,690,520
	321,843	321,843
	3,170,962,201	3,212,263,581
	5,502,009,719	5,320,197,432
	<u>9,107,984,283</u>	<u>8,967,473,376</u>
	<u>107,346,233</u>	<u>108,927,783</u>
	139,656,794	143,830,767
	41,076,921	44,310,185
	<u>1,075,376,855</u>	<u>1,116,002,712</u>
	1,363,456,803	1,413,071,447

Non current liabilities

Long term loans - *secured*
Long term musharaka - *secured*
Deferred grant
Deferred taxation

Current liabilities

Current portion of:
- Long term loans - *secured*
- Long term musharaka - *secured*
- Deferred grant
Trade and other payables
Contract liabilities
Short term borrowings - *secured*
Unclaimed dividend
Accrued mark-up

	Un-audited 30 September 2024	Audited 30 June 2024
	<u>15,963,411</u>	<u>15,465,090</u>
	28,168,436	24,886,380
	12,263,546	12,761,867
	1,563,869,644	1,599,172,831
	353,639,729	306,617,234
	2,453,070,117	2,407,658,889
	96,484,210	96,507,363
	<u>144,754,617</u>	<u>172,315,348</u>
	4,668,213,710	4,635,385,002
	<u>15,139,654,796</u>	<u>15,015,929,825</u>

Contingencies and commitments

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

	Un-audited 30 September 2024	Audited 30 June 2024
	<u>6,512,179,357</u>	<u>6,632,002,621</u>
	36,247,932	40,485,226
	396,287,514	401,063,555
	<u>10,321,433</u>	<u>9,777,325</u>
	6,985,036,236	7,083,328,727
	<u>86,784,917</u>	<u>81,711,595</u>
	3,651,775,703	3,972,815,154
	2,616,833,410	2,199,853,473
	294,772,495	168,870,294
	215,857,205	179,210,782
	208,110,475	233,838,302
	<u>444,054,089</u>	<u>451,860,597</u>
	393,626,972	375,541,979
	<u>272,803,294</u>	<u>268,898,922</u>
	8,184,618,560	7,932,601,098

Note

ASSETS

Non current assets

Property, plant and equipment
Intangible assets
Long term investments - *related parties*
Long term deposits

Current assets

Stores, spare parts and loose tools
Stock in trade
Trade debts
Loans and advances
Deposits and prepayments
Other receivables
Advance income tax - *net*
Short term investments
Cash and bank balances

Ferozsons Laboratories Limited

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

For the period ended 30 September 2024

	Note	First Quarter ended	
		30 September 2024	30 September 2023
		Rupees	
Revenue - <i>net</i>	10	3,356,578,900	3,622,967,251
Cost of sales	11	(2,049,740,402)	(2,285,673,006)
Gross profit		1,306,838,498	1,337,294,245
Administrative expenses		(205,764,119)	(191,126,841)
Selling and distribution expenses		(740,159,084)	(781,145,523)
Other expenses		(19,489,489)	(25,797,280)
Other income		15,693,291	44,070,494
Profit from operations		357,119,097	383,295,095
Finance cost		(158,626,748)	(79,667,259)
Profit before income tax, final tax and minimum tax		198,492,349	303,627,836
Minimum tax differential		(3,980,421)	(985,549)
Final tax		(4,801,194)	(532,346)
Profit before income tax		189,710,734	302,109,941
Income tax		(49,199,827)	(121,593,977)
Profit after taxation		140,510,907	180,515,964
Earnings per share - basic and diluted		3.23	4.15

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

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 2024

	First Quarter ended	
	30 September 2024	30 September 2023
	Rupees	
Profit after taxation	140,510,907	180,515,964
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	140,510,907	180,515,964

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 2024

	Capital Reserve		Revenue Reserve		Total
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profit	
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	-	-	-	180,515,964	180,515,964
<u>Surplus transferred to accumulated profit</u> -on account of incremental depreciation charged during the period - net of tax			(9,022,938)	9,022,938	-
Balance as at 30 September 2023 - unaudited	434,690,520	321,843	959,354,427	5,070,841,818	6,465,208,608
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	-	-	-	140,510,907	140,510,907
<u>Surplus transferred to accumulated profit</u> -on account of incremental depreciation charged during the period - net of tax			(41,301,380)	41,301,380	-
Balance as at 30 September 2024 - unaudited	434,690,520	321,843	3,170,962,201	5,502,009,719	9,107,984,283

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 2024

	First Quarter ended	
	30 September 2024	30 September 2023
	----- Rupees -----	
<u>Cash flow from operating activities</u>		
Profit after taxation	140,510,907	180,515,964
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	152,307,848	100,626,933
Amortisation of intangible assets	4,237,294	100,131
Gain on disposal of property, plant and equipment	(1,591,468)	(6,746,906)
Finance costs	158,626,748	79,667,259
Gain on re-measurement of short term investments to fair value	(18,068,041)	(17,511,332)
Dividend income	(22,606)	(1,051,867)
Profit on bank deposits	(787,217)	(609,446)
Share in loss / (profit) of Farmacia	4,776,041	(1,170,391)
Workers' Profit Participation Fund	10,704,853	16,306,543
Central Research Fund	2,162,597	3,294,250
Workers' Welfare Fund	4,899,851	6,196,486
Minimum tax	3,980,421	985,549
Final tax	4,801,194	532,346
Income tax	49,199,827	121,593,977
	375,227,342	302,213,532
Cash generated from operations before working capital changes	515,738,249	482,729,496
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(5,073,322)	(3,795,409)
Stock in trade	321,039,451	92,965,651
Trade debts - considered good	(416,979,937)	(1,150,131,172)
Loans and advances - considered good	(125,902,201)	(67,132,767)
Deposits and prepayments	(36,646,423)	(23,618,562)
Other receivables	25,727,827	27,644,931
	(237,834,605)	(1,124,067,328)
<i>(Decrease) / Increase in current liabilities</i>		
Trade and other payables	(53,070,488)	487,174,339
Contract liability	47,022,495	66,550,590
	271,855,651	(87,612,903)
Cash generated from / (used in) operations	271,855,651	(87,612,903)
Income tax paid	(83,554,011)	(51,953,661)
Minimum tax paid	(3,735,198)	(437,966)
Final tax paid	(3,511,582)	(500,790)
Net cash generated from / (used in) operating activities	181,054,860	(140,505,320)
<u>Cash flow from investing activities</u>		
Fixed capital expenditure incurred	(32,782,661)	(58,881,791)
Proceeds from sale of property, plant and equipment	1,889,545	8,986,172
Dividend income received	22,606	-
Profit on bank deposits received	787,217	609,446
Short term investments - net	(16,952)	201,551
Long term deposits	(544,108)	-
Net cash used in investing activities	(30,644,353)	(49,084,622)
<u>Cash flow from financing activities</u>		
Long term loan repaid	(4,814,814)	(8,555,603)
Long term musharaka received	5,441,070	-
Long term musharaka paid	(6,332,987)	-
Finance cost paid	(186,187,479)	(46,843,047)
Dividend paid	(23,153)	-
Net cash used in financing activities	(191,917,363)	(55,398,650)
Net decrease in cash and cash equivalents	(41,506,856)	(244,988,592)
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	(2,180,266,823)	(762,530,709)
<i>Cash and cash equivalents comprise of the following</i>		
Cash and bank balances	272,803,294	296,430,769
Short term borrowings - secured	(2,453,070,117)	(1,058,961,478)
	(2,180,266,823)	(762,530,709)

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 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 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.

2.2 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 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.

2.2.2 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 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.

2.2.3 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 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 three months period ended 30 September 2023.

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 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.

2.4 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 2024.

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 2024	Audited 30 June 2024	Un-audited 30 September 2024	Audited 30 June 2024
	(Number of shares)		(Rupees)	
<i>Authorised share capital</i>				
Ordinary shares of Rs. 10 each	150,000,000	150,000,000	1,500,000,000	1,500,000,000
<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	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.

4 Short term borrowings - secured

All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2024.

5 Contingencies and commitments

There is no significant change in the status of the contingencies and commitments as reported in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2024.

		Un-audited 30 September 2024	Audited 30 June 2024
6 Property, plant and equipment	<i>Note</i>	-----Rupees-----	
Operating fixed assets	<i>6.1</i>	6,393,747,735	6,439,453,250
Capital work-in-progress		118,431,622	192,549,371
		6,512,179,357	6,632,002,621
6.1 Operating fixed assets			
<u>Cost</u>			
Opening balance at beginning of the period / year		7,036,058,135	4,452,061,683
Additions / transfers during the period / year		106,900,410	474,888,719
Revaluation surplus - net			2,238,924,837
Disposals / write offs during the period / year		(4,473,949)	(129,817,104)
Closing balance at end of the period / year		7,138,484,596	7,036,058,135
<u>Less: Accumulated depreciation</u>			
Opening balance at beginning of the period / year		596,604,885	1,218,536,502
Depreciation for the period / year		152,307,848	423,367,440
On disposals		(4,175,872)	(78,443,926)
Elimination of accumulated depreciation on revaluation		-	(966,855,131)
Closing balance at end of the period / year		744,736,861	596,604,885
Operating fixed assets - net book value		6,393,747,735	6,439,453,250

7 Long term investments - related parties

Related parties - at cost

Farmacia (Partnership firm)	<i>7.1</i>	244,287,554	249,063,595
BF Biosciences Limited	<i>7.2</i>	151,999,960	151,999,960
		396,287,514	401,063,555

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 was formed pursuant to signing of an agreement between M/s Ferozsons Laboratories Limited and M/s Grupo Empresarial Bagó S.A.

		Un-audited 30 September 2024	Audited 30 June 2024
		----- Rupees -----	
8 Short term investments	<i>Note</i>		
<u>Investments at fair value through profit or loss</u>			
Mutual fund	8.1	393,626,972	375,541,979
8.1	These investments are measured at 'fair value through Profit or Loss'		
Fair value at 01 July		375,541,979	362,396,582
Dividend re-invested / (redemption) during the period / year - <i>net</i>		16,952	(31,884,152)
Realized gain on sale of investments during the period / year		-	6,027,500
Unrealized gain on re-measurement of investment during the period / year		18,068,041	39,002,049
Fair value at 30 September / 30 June	8.1.1	393,626,972	375,541,979

8.1.1 Mutual fund wise detail is as follows:

	Units		Fair value	
	Un-audited 30 September 2024	Audited 30 June 2024	Un-audited 30 September 2024	Audited 30 June 2024
Number.....	Rupees.....	
HBL Money Market Fund	3,364,423	3,364,423	364,926,895	348,190,571
MCB Cash Management Optimizer Fund	10,939	10,939	1,173,611	1,114,288
HBL Cash Fund	249,626	249,626	27,036,485	25,764,090
Pakistan Cash Management Fund	9,723	9,387	489,981	473,030
			393,626,972	375,541,979

8.2 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.

9 Cash and bank balances

- 9.1** These include current account of Rs. 0.0024 million (30 June 2024: Rs. 24.48 million) maintained under Shariah compliant arrangements.
- 9.2** These include deposit accounts of Rs. 26.59 million (30 June 2024: Rs. 13.26 million) under mark up arrangements, which carry interest rates ranging from 18.21% - 19.05% (30 June 2024: 19.02% to 20.51%) per annum.
- 9.3** These also include deposit account of Rs. 5.71 million (30 June 2024: Rs. 0.02 million) under Shariah compliant arrangements, which carries profit rates ranging from 9.30% - 11.01% (30 June 2024: 10.00% to 11.01%) per annum.

	(Un-audited) First Quarter ended	
	30 September 2024	30 September 2023
----- Rupees -----		
10 Revenue - net		
Gross sales:		
Local	3,639,578,931	3,826,854,433
Export	243,162,468	206,489,051
	3,882,741,399	4,033,343,484
Less:		
Sales returns	(11,467,553)	(325,338,293)
Discounts	(487,287,953)	(61,374,411)
Sales tax	(27,406,993)	(23,663,529)
	(526,162,499)	(410,376,233)
	3,356,578,900	3,622,967,251

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.

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) First Quarter ended	
			30 September 2024	30 September 2023
			-----Rs.-----	
Farmaciacia	98% owned subsidiary partnership firm	Sale of medicines - <i>net of returns and discounts</i>	81,683,037	53,613,771
		Payment received against sale of medicine	81,683,037	53,613,771
		Rentals	-	1,553,520
		Share of (loss) / profit reinvested	(4,776,041)	1,170,391
BF Biosciences Limited	80% owned subsidiary company	Sale of medicines	257,940,305	204,563,484
		Payment received against sale of medicine	257,940,305	204,563,484
		Expenses incurred by BFBIO on behalf of the Company - net	14,903,363	18,216,098
		Payments made to BFBIO - net	14,903,363	18,216,098
Key Management Personnel	Key management personnel	Remuneration including benefits and perquisites	14,489,403	15,290,665
Employees Provident Fund	Post employment benefit fund	Contribution towards employees' provident fund	21,800,993	17,479,767
Osman Khalid Waheed	Chief Executive Officer	Remuneration including benefits and perquisites	10,119,188	13,146,778
		Advance given against salary	2,000,000	-
Directors other than CEO	Non-Executive Directors	Meeting Fee	-	80,000
		Rental expense paid for building in use	1,062,936	1,449,459

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

	30 September 2024 (Un-audited)				30 September 2023 (Un-audited)			
	Unclaimed dividend	Accrued mark-up	Long term loan and musharaka	Total	Unclaimed dividend	Accrued mark-up	Long term loan and musharaka	Total
Balance as at 01 July	96,507,363	172,315,348	350,182,072	619,004,783	97,332,707	42,140,456	128,925,926	268,399,089
----- Rupees -----								
<u>Changes from financing cash flows</u>								
Dividend paid	(23,153)	-	-	(23,153)	-	-	-	-
Repayment of long term loan	-	-	(4,814,814)	(4,814,814)	-	-	(8,555,603)	(8,555,603)
Finance cost paid	-	(186,187,479)	-	(186,187,479)	-	(46,843,047)	-	(46,843,047)
Musharaka received	-	-	5,441,070	5,441,070	-	-	-	-
Musharaka paid	-	-	(6,332,987)	(6,332,987)	-	-	-	-
Total changes from financing cash flows	(23,153)	(186,187,479)	(5,706,731)	(191,917,363)	-	(46,843,047)	(8,555,603)	(55,398,650)
<u>Non-cash changes</u>								
Dividend approved	-	-	-	-	-	-	-	-
Interest / markup expense	-	158,626,748	-	158,626,748	-	79,667,259	-	79,667,259
Total non-cash changes	-	158,626,748	-	158,626,748	-	79,667,259	-	79,667,259
Balance as at 30 September	96,484,210	144,754,617	344,475,341	585,714,168	97,332,707	74,964,668	120,370,323	292,667,698

14 Financial risk management and fair value of financial instruments

14.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2024.

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 amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
30 September 2024 (Un-audited)							
Financial assets measured at fair value:	393,626,972	-	-	393,626,972	393,626,972	-	-
<i>Financial assets not measured at fair value</i>							
Long term deposits	-	10,321,433	-	10,321,433	-	-	-
Trade debts	-	2,616,833,410	-	2,616,833,410	-	-	-
Loans and advances	-	25,697,309	-	25,697,309	-	-	-
Deposits and prepayments	-	206,543,564	-	206,543,564	-	-	-
Other receivables	-	46,182,120	-	46,182,120	-	-	-
Cash and bank balances	-	272,803,294	-	272,803,294	-	-	-
	-	3,178,381,130	-	3,178,381,130	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value</i>							
Trade and other payables	-	-	1,349,354,066	1,349,354,066	-	-	-
Unclaimed dividend	-	-	96,484,210	96,484,210	-	-	-
Long term loans - secured	-	-	123,309,644	123,309,644	-	-	-
Long term musharaka - secured	-	-	167,825,230	167,825,230	-	-	-
Short term borrowings - secured	-	-	2,453,070,117	2,453,070,117	-	-	-
Accrued mark-up	-	-	144,754,617	144,754,617	-	-	-
	-	-	4,334,797,884	4,334,797,884	-	-	-

	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 -----							
30 June 2024 (Audited)							
Financial assets measured at fair value:	375,541,979	-	-	375,541,979	375,541,979	-	-
<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	-	-	-
Cash and bank balances	-	268,898,922	-	268,898,922	-	-	-
	-	2,724,536,616	-	2,724,536,616	-	-	-
Financial liabilities measured at fair value:	-	-	-	-	-	-	-
<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	-	-	-

15 Subsequent event

There are no subsequent event that requires adjustments to the financial statements.

16 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 October 2024.

Chief Executive Officer

Chief Financial Officer

Director



CONSOLIDATED FINANCIAL STATEMENTS

Ferozsons Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
As at 30 September 2024

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

Issued, subscribed and paid up capital

Capital reserve

Revaluation surplus on property, plant and equipment

Accumulated profits

Equity attributable to owners of the Company

Non-controlling interests

Non current liabilities

Long term loans - *secured*

Long term musharaka - *secured*

Deferred grant

Deferred taxation

Current liabilities

Trade and other payables

Current portion of:

- Long term loans - *secured*

- Long term musharaka - *secured*

- Deferred grant

Subscription money received against IPO

Contract liabilities

Short term borrowings - *secured*

Unclaimed dividend

Accrued mark-up

Contingencies and commitments

	Un-audited 30 September 2024	Audited 30 June 2024
Rupees		
	1,500,000,000	1,500,000,000
	434,690,520	434,690,520
	321,843	321,843
	3,699,669,219	3,753,246,119
	7,314,020,852	7,040,048,601
	11,448,702,434	11,228,307,083
	612,502,273	591,877,248
	12,061,204,707	11,820,184,331
	1,667,802,869	1,699,776,488
	160,081,649	143,830,767
	443,542,905	476,905,461
	1,468,556,230	1,523,995,187
	3,739,983,653	3,844,507,903
	2,689,417,156	2,235,066,200
	321,065,171	308,184,628
	31,555,483	24,886,380
	135,400,661	138,213,359
	1,651,999,762	-
	395,044,354	333,057,621
	2,826,108,644	2,743,034,136
	96,484,210	96,507,363
	178,388,610	205,979,682
	8,325,464,051	6,084,929,369
	24,126,652,411	21,749,621,603

Note

4

5

6

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

	Un-audited 30 September 2024	Audited 30 June 2024
Rupees		
	11,764,619,021	11,828,402,182
	36,663,015	41,038,671
	79,371,992	79,371,992
	21,148,433	17,604,325
	11,901,802,461	11,966,417,170
	221,957,459	196,313,491
	4,678,553,469	4,781,368,229
	3,118,444,139	2,416,614,379
	396,930,599	211,128,888
	490,655,452	333,433,703
	255,858,337	283,807,115
	449,138,492	512,978,990
	434,670,484	496,495,295
	2,178,641,519	551,064,343
	12,224,849,950	9,783,204,433
	24,126,652,411	21,749,621,603

Note

7

8

9

ASSETS

Non-current assets

Property, plant and equipment

Intangible assets

Investment property

Long term deposits

Current assets

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances - *considered good*

Deposits and prepayments

Other receivables - *considered good*

Advance income tax - *net*

Short term investments

Cash and bank balances

Ferozsons Laboratories Limited

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

For the period ended 30 September 2024

	Note	First Quarter ended	
		30 September 2024	30 September 2023
		----- Rupees -----	
Revenue - <i>net</i>	10	4,528,985,682	4,428,541,177
Cost of sales	11	(2,675,983,436)	(2,709,194,520)
Gross profit		1,853,002,246	1,719,346,657
Administrative expenses		(225,430,060)	(204,410,993)
Selling and distribution expenses		(1,052,633,914)	(964,464,329)
Other expenses		(47,678,960)	(40,189,050)
Other income		27,071,601	77,003,910
Profit from operations		554,330,913	587,286,195
Finance cost		(193,908,213)	(121,072,697)
Profit before income tax, final tax and minimum tax differential		360,422,700	466,213,498
Minimum tax differential		(8,139,772)	(4,868,191)
Final tax		(5,289,845)	(1,713,539)
Profit before income tax		346,993,083	459,631,768
Income tax		(105,972,707)	(178,163,124)
Profit after taxation		241,020,376	281,468,644
<i>Attributable to:</i>			
Owners of the Group		220,395,351	263,100,054
Non-controlling interests		20,625,025	18,368,590
Profit after taxation		241,020,376	281,468,644
Earnings per share - basic and diluted		5.07	6.05

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 2024

	First Quarter ended	
	30 September 2024	30 September 2023
	----- Rupees -----	
Profit after taxation	241,020,376	281,468,644
<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	<u>241,020,376</u>	<u>281,468,644</u>
<i>Attributable to:</i>		
Owners of the Group	220,395,351	263,100,054
Non-controlling interests	20,625,025	18,368,590
	<u>241,020,376</u>	<u>281,468,644</u>

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

Chief Executive Officer

Chief Financial Officer

Director

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

For the period ended 30 September 2024

	First Quarter ended	
	30 September 2024	30 September 2023
	Rupees	
Cash flow from operating activities		
Profit after taxation	241,020,376	281,468,644
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	193,599,113	123,515,866
Amortization of intangible assets	4,375,656	238,492
Gain on disposal of property, plant and equipment	(1,591,468)	(8,492,219)
Finance costs	192,153,213	121,072,697
Gain on re-measurement of short term investments to fair value	(20,098,781)	(19,537,543)
Gain on sale of short term investments	(3,711,918)	(317,789)
Dividend income	(22,606)	(9,239,759)
Minimum tax	8,139,772	4,868,191
Final tax	5,289,845	1,713,539
Income tax	105,972,707	178,163,124
Profit on deposits with bank	(1,639,779)	(1,923,848)
Workers' Profit Participation Fund	20,706,773	25,318,913
Central Research Fund	4,183,187	5,114,932
Workers' Welfare Fund	8,700,581	9,621,187
	516,056,295	430,115,783
Cash generated from operations before working capital changes	757,076,671	711,584,427
Effect on cash flow due to working capital changes <i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(25,643,968)	(12,890,536)
Stock in trade	102,814,760	(4,501,769)
Trade debts	(701,829,760)	(1,175,796,671)
Loans and advances - <i>considered good</i>	(185,801,711)	(78,755,915)
Deposits and prepayments	(157,221,749)	(71,873,588)
Other receivables	27,948,778	29,817,436
	(939,733,650)	(1,314,001,043)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	407,330,798	686,840,092
Contract liabilities	61,986,733	80,118,705
Cash generated from operations	286,660,552	164,542,181
Income tax paid	(85,869,727)	(55,325,214)
Minimum Tax paid	(7,894,549)	(4,320,608)
Final Tax Paid	(3,806,890)	(1,681,983)
Net cash generated from operating activities	189,089,386	103,214,376
Cash flow from investing activities		
Acquisition of property, plant and equipment	(130,114,028)	(88,526,560)
Dividend income received	22,606	-
Proceeds from sale of property, plant and equipment	1,889,545	13,006,019
Long term deposit - <i>net</i>	(3,544,108)	(3,000,000)
Profit on term deposits received	1,639,779	1,923,848
Short term investments - <i>net</i>	85,635,510	81,211,047
Net cash (used in) / generated from investing activities	(44,470,696)	4,614,354
Cash flow from financing activities		
Subscription money received against IPO	1,651,999,762	-
Long term musharaka received	32,209,843	-
Long term musharaka paid	(9,289,859)	-
Long term loan paid	(55,268,330)	(57,560,883)
Finance cost paid	(219,744,285)	(93,617,341)
Dividend paid	(23,153)	-
Net cash generated from / (used in) financing activities	1,399,883,978	(151,178,224)
Net decrease in cash and cash equivalents	1,544,502,668	(43,349,494)
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	(647,467,125)	(734,844,338)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	2,178,641,519	574,814,589
Running finance	(2,826,108,644)	(1,309,658,927)
	(647,467,125)	(734,844,338)

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 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 %	
			30 September 2024	30 June 2024
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;
- 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 30 September 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 three months period ended 30 September 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.
- 3.2.5** Subsequent to the period end, the Initial Public Offering of the Subsidiary Company BF Biosceineces Limited has been completed, whereby the effective shareholding holding of the Holding Company has been reduced to 57.36%. These condensed interim consolidated financial statements has been prepared on the actual share holding of the Holding Company as of 30 September 2024.

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 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 2024.

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 2024.

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 30 September 2024	Audited 30 June 2024
		-----Rupees-----	
7	Property, plant and equipment	<i>Note</i>	
	Operating fixed assets	8,050,950,162	8,119,903,488
	Capital work-in-progress	3,713,668,859	3,708,498,694
		<u>11,764,619,021</u>	<u>11,828,402,182</u>
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	124,943,863	996,038,526
	Revaluation surplus - net	-	2,596,731,941
	Disposals during the period / year	(4,473,949)	(140,458,523)
	Closing balance at end of the period / year	8,901,791,421	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	193,599,112	517,090,795
	Elimination of accumulated depreciation on revaluation	-	(1,283,113,977)
	On disposals	(4,175,872)	(86,810,814)
	Closing balance at end of the period / year	850,841,259	661,418,019
	Operating fixed assets - net book value	<u>8,050,950,162</u>	<u>8,119,903,488</u>

		Un-audited 30 September 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>434,670,484</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
Redemption during the period / year - net		(85,635,511)	(104,582,454)
Realized gain on sale of investments during the period / year		3,711,918	6,390,555
Unrealized gain on re-measurement of investment during the period / year		<u>20,098,782</u>	<u>49,721,539</u>
Fair value at 30 September / 30 June	8.1.1	<u>434,670,484</u>	<u>496,495,295</u>

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

8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	3,367,109	3,367,109	365,218,197	348,467,577
HBL Cash Fund	504,004	504,004	54,587,597	51,944,030
ABL Cash Fund	1,226,287	1,226,287	13,201,098	12,555,825
Pakistan Cash Management Fund	9,723	9,387	489,981	473,030
Alfalah Investment Money Market Fund	-	828,164	-	81,940,545
MCB Cash Management Optimizer Fund	10,939	10,939	<u>1,173,611</u>	<u>1,114,288</u>
			<u>434,670,484</u>	<u>496,495,295</u>

9 Cash and bank balances

- 9.1** These include current account of Rs. 0.0024 million (30 June 2024: Rs. 25.71 million) maintained under Shariah compliant arrangements.
- 9.2** These include deposit accounts of Rs. 72.78 million (30 June 2024: Rs. 23.05 million) under mark up arrangements, which carry interest rates ranging from 18.21% - 20.51% (30 June 2024: 19.02% to 20.51%) per annum.
- 9.3** These also include deposit account of Rs. 6.42 million (30 June 2024: Rs. 0.71 million) under Shariah compliant arrangements, which carries profit rate ranging from 9.30% - 11.01% (30 June 2024: 10.00% to 11.01%) per annum.

		(Un-audited) First Quarter ended	
		30 September 2024	30 September 2023
		----- Rupees -----	
10	Revenue - net		
	<i>Gross sales:</i>		
	Local	4,924,938,121	4,777,533,874
	Export	281,844,583	212,387,379
		<u>5,206,782,704</u>	<u>4,989,921,253</u>
	<i>Less:</i>		
	Sales returns	(16,958,879)	(377,011,711)
	Discounts	(627,182,027)	(157,063,273)
	Sales tax	(33,656,116)	(27,305,092)
		<u>(677,797,022)</u>	<u>(561,380,076)</u>
		<u>4,528,985,682</u>	<u>4,428,541,177</u>

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	
		30 September 2024	30 September 2023
		----- Rupees -----	
11	Cost of sales		
	Raw and packing materials consumed	1,158,557,849	1,485,926,634
	Other manufacturing expenses	682,080,262	480,288,237
		<u>1,840,638,111</u>	<u>1,966,214,871</u>
	<i>Work in process:</i>		
	Opening	423,548,791	249,627,985
	Closing	(312,865,987)	(304,403,908)
		<u>110,682,804</u>	<u>(54,775,923)</u>
	Cost of goods manufactured	<u>1,951,320,915</u>	<u>1,911,438,948</u>
	<i>Finished stock:</i>		
	Opening	2,392,888,111	1,325,994,498
	Purchases made during the period	557,919,546	1,888,278,698
	Closing	(2,226,145,136)	(2,416,517,624)
		<u>724,662,521</u>	<u>797,755,572</u>
		<u>2,675,983,436</u>	<u>2,709,194,520</u>
11.1	Raw and packing materials consumed		
	Opening	1,752,978,969	1,832,285,298
	Purchases made during the period	1,250,856,129	1,245,353,657
		<u>3,003,835,098</u>	<u>3,077,638,955</u>
	Closing	(1,845,277,249)	(1,591,712,321)
		<u>1,158,557,849</u>	<u>1,485,926,634</u>

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) First Quarter ended	
			30 September 2024	30 September 2023
Bago Laboratories Pte. Limited	Associated Company	Purchase of medicine	4,980,844	44,648,569
		Payment made against purchase of medicine	10,338,785	36,802,165
Employees Provident Fund	Post employment benefit fund	Contribution towards employees' provident fund	26,487,925	24,394,019
Key Management Personnel	Key management personnel	Remuneration including benefits and perquisites	16,913,800	15,290,665
KFW Factors (Private) Limited	Common directorship	Share of (loss) / profit of Farmacia reinvested	(97,470)	23,886
Osman Khalid Waheed	Chief Executive Officer-Holding Company	Remuneration including benefits and perquisites Advance given against salary	10,119,188 2,000,000	13,146,778 -
Directors other than CEOs	Non-Executive Directors	Rental expense paid for building in use Meeting fee	1,062,936 -	1,449,459 80,000

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

	Unclaimed dividend	Accrued mark-up	Long term loans and musharaka-secured	Subscription money received against IPO	Total
As at 01 July 2024	96,507,363	205,979,682	2,791,797,083	-	3,094,284,128
----- Rupees -----					
<i>Changes from financing cash flows</i>					
Dividend paid	(23,153)	-	-	-	(23,153)
Repayment of long term loan	-	-	(55,268,330)	-	(55,268,330)
Finance cost paid	-	(219,744,285)	-	-	(219,744,285)
Musharaka received	-	-	32,209,843	-	32,209,843
Musharaka paid	-	-	(9,289,859)	-	(9,289,859)
Subscription money received against IPO	-	-	-	1,651,999,762	1,651,999,762
Total changes from financing cash flows	(23,153)	(219,744,285)	(32,348,346)	1,651,999,762	1,399,883,978
<i>Non-cash changes</i>					
Interest / markup expense	-	192,153,213	-	-	192,153,213
Total non-cash changes	-	192,153,213	-	-	192,153,213
As at 30 September 2024	96,484,210	178,388,610	2,759,448,737	1,651,999,762	4,686,321,319
	Unclaimed dividend	Accrued mark-up	Long term loan		Total
					----- Rupees -----
As at 01 July 2023	97,332,707	85,967,950	2,891,898,383	-	3,075,199,040
<i>Changes from financing cash flows</i>					
Dividend paid	-	-	-	-	-
Repayment of long term loan	-	-	(57,560,883)	-	(57,560,883)
Finance cost paid	-	(93,617,341)	-	-	(93,617,341)
Total changes from financing cash flows	-	(93,617,341)	(57,560,883)	-	(151,178,224)
<i>Non-cash changes</i>					
Interest / markup expense	-	121,072,697	-	-	121,072,697
Proceeds of loan during the period	-	-	-	-	-
Total non-cash changes	-	121,072,697	-	-	121,072,697
As at 30 September 2023	97,332,707	113,423,306	2,834,337,500	-	3,045,093,513

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 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 statement of profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
30 September 2024 (Un-audited)							
Financial assets measured at fair value:							
Short term investments	434,670,484	-	-	434,670,484	434,670,484	-	-
Financial assets not measured at fair value:							
Long term deposits	-	21,148,433	-	21,148,433	-	-	-
Trade debts - considered good	-	3,118,444,139	-	3,118,444,139	-	-	-
Loans and advances - considered good	-	27,862,077	-	27,862,077	-	-	-
Short term deposits	-	478,416,605	-	478,416,605	-	-	-
Other receivables	-	46,182,120	-	46,182,120	-	-	-
Cash and bank balances	-	2,178,641,519	-	2,178,641,519	-	-	-
	-	5,870,694,893	-	5,870,694,893	-	-	-
Financial liabilities measured at fair value:							
Financial liabilities not measured at fair value:							
Trade and other payables	-	-	2,384,825,092	2,384,825,092	-	-	-
Unclaimed dividend	-	-	96,484,210	96,484,210	-	-	-
Long term musharaka - secured	-	-	191,637,132	191,637,132	-	-	-
Long term loans - secured	-	-	2,567,811,606	2,567,811,606	-	-	-
Short term borrowings - secured	-	-	2,826,108,644	2,826,108,644	-	-	-
Accrued mark-up	-	-	178,388,610	178,388,610	-	-	-
	-	-	8,245,255,294	8,245,255,294	-	-	-
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

Subsequent to the period end, the Initial Public Offering of the Subsidiary Company BF Biosciences Limited has been successfully completed and effective shareholding of the Holding Company has been reduced to 57.36%. The same has been disclosed in note 3.2.5 to these condensed interim consolidated financial statements.

16 Date of authorization for issue

The Board of Directors of the Holding Company in its meeting held on 28 October 2024 has authorized to issue these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

The logo features the number '35' in a stylized font. The '3' is blue with a green plus sign inside its lower loop. The '5' is orange. To the right of '35' is the word 'YEARS' in bold black capital letters, with a small blue bird icon above the 'A'. Below '35 YEARS' is the text 'OF TRUST & DEVOTION' in a smaller, black, sans-serif font.

35 YEARS
OF TRUST & DEVOTION