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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

CHIEF FINANCIAL OFFICER

HEAD OF INTERNAL AUDIT

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

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co. **Chartered Accountants**

Mr. Rizwan Hameed Butt

FACTORY

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

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

REGISTERED OFFICE

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

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

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE

MONTHS ENDED 31 MARCH 2022

We are pleased to present a brief review of the Company's un-audited Standalone and Consolidated condensed interim financial information for the nine months ended 31 March 2022. The consolidated condensed interim financial information incorporates the Company's 80% owned subsidiary BF Biosciences Limited and 98% owned venture Farmacia.

Highlights of the Company's Individual and Consolidated Financial Results

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

	Indiv	idual		Conso	lidated	
9 Months 31-Mar-22			9 Months 31-Mar-22			

(Rupees in thousands)

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

Financial and Operational Review of Ferozsons Laboratories Limited

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

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

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

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

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

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

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

DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE

MONTHS ENDED 31 MARCH 2022

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

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

Future Outlook

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

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

Acknowledgments

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

For and on behalf of the Board of Directors

Mr. Osman Khalid Waheed Chief Executive Officer

Mrs. Akhter Khalid Waheed Chairperson

گروپ کی سطح پر 9 ماہ میں اجتاعی خالص فروخت میں 15 فیصد اضافہ ہوااور پچھلے سال میں تیسری سہ ماہی میں 9 فیصد اضافہ ہوا۔ پچھلے سال اسی دورا نیے میں 42 فیصد کے مقابلے میں نمپنی کے مجموعی منافع کی کم سے کم حد 46 فیصد پر کھڑی رہی ۔مطلق معنوں میں مجموعی منافع (GP) میں 33 فیصد تک بڑھوڑی ہوئی مجموعی منافع کی کم سے کم حدمیں بہتری فروخت کے شمن میں ساز گار تبدیلی کو ظاہر کرتی ہے۔ پچھلے سال اسی دورا بیے میں فروخت اورتقسیم کےاخراجات میں 36 فیصداضا فیہ ہواجسکی وجہ شخواؤں میں اضا فیہ کووڈ سے متعلقہ یا بندیوں میں نرمی کی وجہ سے سفراور فیلڈ میں سرگرمیوں کی بحالی کی وجہ سے ہونے والےاخراجات ہیں۔ دیگراخراجات میں 117 ملین کااضافہ ہوا۔جس کی بنیادی وجہ یا کتان کرنسی میں تخفیف کی وجہ سے ہونے والے زیۃ تاولہ کا خسارہ ہے۔ دیگرآ مدنی میں 4 فیصد اضافہ ہوا جونبیا دی طور پر پچھلے سال میں سر مایہ کاری کی آمدنی میں کل اضافے اور بلنگ کے زیم بادلہ میں کمی ہے۔ بعداز ٹیکس منافع 9 ماہ میں 587 ملین رویے پر بند ہوااور تیسری سہہ ماہی میں 240 ملین رویے میں بند ہوا جس سے بالتر تیب 16 فیصد اور 11 فیصد بڑھوڑی ظاہر ہوتی ہے۔ بعداز ٹیکس منافع کی بنیاد پر پچھلے سال اسی دورا بیے میں فی حصص آمدنی 9 ماہ میں 13.95 روپے کے مقابلے میں 16.19 روپے رہی۔

BF بايوسائيسنزلمييڻة (ماتحت ذيلي مميني) كامالياتي اورعملياتي جائزه

زیر جائزہ 9 ماہ کے لئے BF بایوسائیسنز لمیٹٹر کی کل فروخت 1239 ملین رویے برختم ہوئی اور تیسری سہماہی میں 408 ملین رویے برختم ہوئی جس سے ظاہر ہوتا ہے کہ بچھلے سال 9 ماہ میں 2 فیصد اضافہ اور تیسری سہماہی میں 1 فیصد کمی ہوئی۔

مستقبل کے امکانات:

ہم بیتو قع کرتے ہیں کہآنے والی سہد ماہی میں ترقی کی رفتار جاری رہے گی ۔ تاہم یا کتتانی کرنسی میں کمی اور مرکزی بینک کی طرف سے یالیسی کی شرح میں اضافیہ ہمارے منافع پرمنفی اثرات ڈال سکتے ہیں۔مزید برآں چائنہ میں کووڈ کی وجہ سے حالیہ لاک ڈاؤن کی وجہ سے بین الاقوامی سلائی چین پر اثر ڈالا ہے۔ جس کے نتیج میں بیرونی لاگتوں میںاضا فہ ہواہے۔جو بالآ خرمخصرصمون میںمنافع پراثرا نداز ہوگا۔

اظهارتشكر:

ہم اسی دوران مسلسل حمایت کے لئے اپنے صارفین،فروخت کاروں،تقسیم کاروں،کاروباری شراکت داروں اور بینکرز کے شکر گزار ہیں۔ ہم ہرسطے براینے ملاز مین کی خد مات کوشسین کی نگاہ سے دیکھتے ہیں۔

بورڈ آف ڈائر یکٹرز کے لئے / کے نمائندہ کے طور پر

مسزاختر خالدوحيد مسترعثان خالدوحيد چيف ايگزيکٽوا فيسر چيئر پرس

درمیانی مدت کی مالیاتی معلومات کےخلاصے برڈا ٹریکٹرز کا جائزہ (31 مارچ 2022 كونوماه كے اختتام پر)

ہم 31 مارچ 2022 کونو ماہتم ہونے بردرمیانی مدت کی غیر آ ڈٹ شدہ آزادانہ حیثیت میں اوراجتاعی مالیاتی معلومات کے خلاصے برایک مختصر جائزہ پیش کرتے ہوئے مترت کا اظہار کرتے ہیں۔ اجماعی درمیانی مدتی مالیاتی معلومات کاخلاصہ ممپنی کی 80 فیصد مالک ماتحت ذیلی ممپنی BF بایو سائیسنزلمیٹڈاور ممپنی کے ذاتی ملکیتی فارمیسیا 98 فیصد ادویاتی کاروبارکااحاطه کرتاہے۔

كمپنى كے ذاتى اوراجماعى مالياتى نتائج كى نمايال تفصيل:

اس دورانیے کے ملیاتی نتائج کا خلاصہ درج ذیل ہے۔

	عی	اجتم		آزادانه			
013	٥١3	9اه	019	3اه	063	9اه	069
31كارچ21	31مارچ22	31مارچ21	32كارچ22	31مارچ21	32كارچ22	31كارچ21	31مار چ22

(رویے ہزاروں میں)

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

فيرز زسنز ليبارثريز لميثد كامالياتي اورعملياتي جائزه:

پچیلے سال کمپنی کی آزادانہ حیثیت میں کل فروخت میں 9 ماہ میں 19 فیصد اضافہ ہوااوراسی سال تیسری سہدماہی میں 14 فیصد اضافہ ہوا۔ مارکیٹ میں جھیک ادویات . کی فروخت میں 25 فیصد اضافیہ ہوا۔ جبکہ جنیرک ادویات اور میڈیکل آلات کی اداراجاتی فروخت میں 16 فیصداضافیہ ہوا۔





OUR FINANCIAL STATEMENTS

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

As at 31 March 2022							
		Un-audited	Audited			Un-audited	Audited
		31 March 2022	30 June 2021			31 March 2022	30 June 2021
EQUITY AND LIABILITIES	Note	Rupees	S.	ASSETS	Note	Rupees	
Share capital and reserves				Non-current assets			
Authorized share capital				Property, plant and equipment	9	3,432,200,990	3,246,719,076
so, ooo, oo sune 2021: so, ooo, ooo) orunary shares of Rs. 10 each		500,000,000	500,000,000	mangione assets Long term investments - related parties	7	369,692,668	347,738,437
				Long term deposits		9,717,325	9,717,325
Issued, subscribed and paid up capital	3	362,242,100	362,242,100			3,812,754,788	3,604,813,001
Capital reserve		321,843	321,843				
Accumulated profit		5,024,522,216	4,768,388,867	Current assets			
Revaluation surplus on property,							
plant and equipment		1,061,517,314	1,093,377,437	Stores, spare parts and loose tools		70,391,763	44,861,806
		6,448,603,473	6,224,330,247	Stock in trade		2,303,908,281	1,689,956,889
				Trade debts		1,072,710,350	1,313,592,150
Non-current liabilities				Loans and advances		140,095,762	47,516,130
				Deposits and prepayments		135,766,859	131,561,017
Long term loan - secured		•	84,040,204	Other receivables		68,750,981	14,110,312
Deferred grant		•	1,459,796	Advance income tax - net		228,981,876	285,216,936
Deferred taxation		250,828,380	257,929,124	Short term investments	8	808,098,668	1,080,776,249
		250,828,380	343,429,124	Cash and bank balances	6	162,763,753	399,374,281
Current liabilities						5,083,230,433	5,006,965,770
Trade and other payables		1,686,359,819	1,758,616,108				
Contract liabilities		58,434,533	31,914,992				
Short term borrowings - secured	4	224,196,386	•				
Current portion of long term liabilities		128,250,000	171,000,000				
Unclaimed dividend		92,758,487	80,049,018				
Accrued mark-up		6,554,143	2,439,282				
		2,196,553,368	2,044,019,400				
Contingencies and commitments	S						
D							

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

8,895,985,221

Chief Financial Officer

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

For the nine months and quarter ended 31 March 2022

	_	Nine month	s ended	Quarter 6	ended
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Note	Rupe		Rupec	
Revenue - net	10	5,675,653,478	4,756,358,547	2,173,037,508	1,911,054,523
Cost of sales	11	(3,044,439,859)	(2,780,315,890)	(1,256,446,298)	(1,180,412,171)
Gross profit		2,631,213,619	1,976,042,657	916,591,210	730,642,352
Administrative expenses		(359,318,613)	(290,577,170)	(118,687,785)	(97,950,208)
Selling and distribution expenses		(1,383,605,842)	(1,015,715,352)	(470,603,560)	(356,221,137)
Other expenses		(182,646,838)	(65,568,962)	(38,491,378)	(28,284,518)
Other income		128,928,361	123,814,797	45,701,633	67,561,893
Profit from operations		834,570,687	727,995,970	334,510,120	315,748,382
Finance cost		(17,391,019)	(17,270,535)	(7,768,487)	(4,515,705)
Profit before taxation		817,179,668	710,725,435	326,741,633	311,232,677
Taxation		(230,664,342)	(205,454,598)	(86,845,319)	(95,040,447)
Profit after taxation		586,515,326	505,270,837	239,896,314	216,192,230
Earnings per share - basic and diluted	_	16.19	13.95	6.62	5.97

The annexed notes from	1 to 16 form an	integral part of thes	se condensed interim	unconsolidated financi	ial statements.

Chief Executive Officer	Chief Financial Officer	Director

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

For the nine months and quarter ended 31 March 2022

	Nine months ended		Quarter	ended
	31 March 31 March		31 March	31 March
	2022	2021	2022	2021
	Ruj	oees	Ru	pees
Profit after taxation	586,515,326	505,270,837	239,896,314	216,192,230
Items that will not be reclassified to profit or loss				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	586,515,326	505,270,837	239,896,314	216,192,230

Profit after taxation	586,515,326	505,270,837	239,896,314	216,192,230
Items that will not be reclassified to profit or loss				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	586,515,326	505,270,837	239,896,314	216,192,230
The annexed notes from 1 to 16 form an integral part of these	condensed interim unc	onsolidated financ	ial statements.	

Chief Executive Officer	Chief Financial Officer	Director

Ferozsons Laboratories Limited

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited) For the nine months ended 31 March 2022

		Capitai	Capital Lesel Ve	nevellue reserve	
			•		
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profit	Total
			Rupees		
Balance as at 01 July 2020	301,868,410	321,843	1,135,897,569	4,181,754,531	5,619,842,353
Total comprehensive income for the period	1	•	1	505,270,837	505,270,837
Surplus transferred to accumulated profit					
- On account of incremental depreciation charged during the period - net of tax	1	ı	(31,868,737)	31,868,737	1
Effect of change in tax rate on account of surplus on property, plant and equipment	•	1	907,293	1	907,293
Transactions with owners of the Company, recognized directly in Equity - Distributions					
-Final dividend for the year ended 30 June 2020 at Rs. 4 per share -Issuance of bonus shares at 20%	- 60.373.690		1 1	(120,747,364)	(120,747,364)
	60,373,690	1	ı	(181,121,054)	(120,747,364)
Balance as at 31 March 2021 - unaudited	362,242,100	321,843	1,104,936,125	4,537,773,051	6,005,273,119
Balance as at 01 July 2021	362,242,100	321,843	1,093,377,437	4,768,388,867	6,224,330,247
Total comprehensive income for the period	•	1	•	586,515,326	586,515,326
Surplus transferred to accumulated profit					
- On account of incremental depreciation charged during the period - net of tax	1	ı	(31,860,123)	31,860,123	1
Effect of change in tax rate on account of surplus on property, plant and equipment	•	1	•	1	1
Transactions with owners of the Company, recognized directly in Equity - Distributions					
-Final dividend for the year ended 30 June 2021 at Rs. 10 per share	1	ı	ı	(362,242,100)	(362,242,100)
Balance as at 31 March 2022 - unaudited	362,242,100	321,843	1,061,517,314	5,024,522,216	6,448,603,473

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

Chief Financial Officer

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the nine months ended 31 March 2022

		Nine month	s ended
		31 March	31 March
Cash flow from operating activities		2022 Rupeo	2021
· · · · · · · · · · · · · · · · · · ·		•	
Profit before taxation Adjustments for non-cash and other items:		817,179,668	710,725,435
Depreciation on property, plant and equipment		246,686,377	237,186,064
Amortisation of intangibles		272,168	344,559
Gain on disposal of property, plant and equipment		(23,601,167)	(24,188,845)
Finance cost Dividend income		17,391,019	17,270,535
Profit on bank deposits		(41,519,768) (3,596,800)	(10,135,076) (2,624,152)
Gain on re-measurement of short term investments to fair value		(22,236,279)	(14,742,286)
Gain loss on sale of short term investments		(3,614,169)	- 1
Share in profit of Farmacia		(21,954,231)	(9,965,409)
Workers' Profit Participation Fund		43,816,585	38,426,573
Central Research Fund Workers' Welfare Fund		8,851,835 15,335,444	7,762,944 16,394,185
Workers Wellate Land		215,831,014	255,729,092
Cash generated from operations before working capital changes		1,033,010,682	966,454,527
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets Stores, spare parts and loose tools		(25,529,957)	(8,698,092)
Stock in trade		(613,951,392)	29,621,888
Trade debts		240,881,800	(360,711,257)
Loans and advances		(92,579,632)	(4,963,055)
Deposits and prepayments Other receivables		(4,205,842)	(36,749,374)
Other receivables		(54,640,670)	16,954,308 (364,545,582)
(Decrease) / increase in current liabilities		(330,023,073)	(304,343,362)
Trade and other payables		(100,059,963)	213,640,657
Cash generated from operations		382,925,026	815,549,602
Taxes paid		(181,529,780)	(184,546,014)
Central Research Fund paid		(10,697,660)	(6,134,752)
Workers' Profit Participation Fund paid		(2,982,981)	(367,021)
Long term deposits - net			70,000
Net cash generated from operating activities		187,714,605	624,571,815
Cash flow from investing activities			
Fixed capital expenditure incurred		(440,616,429)	(161,642,844)
Proceeds from sale of property, plant and equipment		32,049,052	29,974,518
Dividend income		41,519,768	10,135,076
Profit on bank deposits received Short term investments - net		3,596,800 206,765,889	2,624,152 (438,584,112)
Net cash used in investing activities		(157,462,730)	(558,128,754)
		(===,===,==,	(,,,,)
Cash flow from financing activities			
Finance cost paid		(13,276,158)	(16,589,376)
Long term loan received		-	216,000,000
Long term loan paid		(128,250,000)	(42,750,000)
Dividend paid		(349,532,631)	(117,522,227)
Net cash (used in) / generated from financing activities		(491,058,789)	39,138,397
Net (decrease) / increase in cash and cash equivalents Cash and cash equivalents at beginning of the period		(460,806,914) 399,374,281	105,581,458 48,280,682
Cash and cash equivalents at beginning of the period		(61,432,633)	153,862,140
casa and casa equivalents at our or the period		(01,102,000)	100,002,110
Cash and cash equivalents comprise of the following:			
Cash and bank balances		162,763,753	153,862,140
Running finance		(224,196,386)	152 962 140
		(61,432,633)	153,862,140
The annexed notes from 1 to 16 form an integral part of these conden-	sed interim unconsolidated financial statements.		
Chief Executive Officer	Chief Financial Officer	-	Director

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

For the nine months ended 31 March 2022

1 Reporting entity

Ferozsons Laboratories Limited ("the Company") was incorporated as a private limited company on 28 January 1954 and was converted into a public limited company on 08 September 1960. The Company is listed on Pakistan Stock Exchange and is primarily engaged in the imports, manufacture and sale of pharmaceutical products and medical devices. Its registered office is situated at 197-A, The Mall, Rawalpindi and the manufacturing facility is located at Amangarh, Nowshera, Khyber Pakhtunkhwa.

2 **Basis of preparation**

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 **Basis of accounting**

- 2.2.1 These condensed interim unconsolidated financial statements comprises the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.
- 2.2.2 These condensed interim unconsolidated financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2021. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.2.3 Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021, whereas comparative unconsolidated statement of profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the three months and nine months period ended 31 March 2021.
- These condensed interim unconsolidated financial statements are unaudited and being submitted to 2.2.4 the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

2.3 Judgements and estimates

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the unconsolidated financial statements as at and for the year ended 30 June 2021.

2.4 Statement of consistency in accounting policies

- The accounting policies and the methods of computation adopted in the preparation of these 2.4.1 condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2021.
- 2.4.2 There were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

Audited

Un-audited

Audited

Un-audited

3 Issued, subscribed and paid-up capital

	on addited	ridarioa	On addited	ridanted
	31 March	30 June	31 March	30 June
	2022	2021	2022	2021
	(Number	oi snares)	(Rup	ees)
Authorised share capital				
Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000,000	500,000,000
Issued, subscribed and paid- up share capital				
Voting ordinary shares of Rs. 10 each fully paid up in cash	1,441,952	1,441,952	14,419,520	14,419,520
Voting ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	119,600	119,600	1,196,000	1,196,000
Voting ordinary shares of Rs. 10 each issued as bonus shares	34,662,658	34,662,658	346,626,580	346,626,580
	36,224,210	36,224,210	362,242,100	362,242,100

KFW Factors (Private) Limited, an associated company holds 9,944,329 (30 June 2021: 9,944,329) ordinary shares of Rs. 10 each of the Company, representing 27.45% (30 June 2021: 27.45%) of the equity held.

Short term borrowings - secured

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

5 Contingencies and commitments

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

				Un-audited 31 March 2022	Audited 30 June 2021
6	Prope	rty, plant and equipment	Note	Rupe	es
	_	ting fixed assets il work-in-progress	6.1	3,045,489,644 386,711,346 3,432,200,990	3,145,198,003 101,521,073 3,246,719,076
	6.1	Operating fixed assets		-	
		<u>Cost</u>			
		Opening balance at beginning of the per Additions / transfers during the period / Disposals during the period / year Closing balance at end of the period / ye	year	3,771,507,839 155,425,892 (58,119,488) 3,868,814,243	3,610,253,397 244,717,715 (83,463,273) 3,771,507,839
		Less: Accumulated depreciation			
		Opening balance at beginning of the per Depreciation for the period / year On disposals Closing balance at end of the period / ye Operating fixed assets - net book value	ar	626,309,836 246,686,377 (49,671,614) 823,324,599 3,045,489,644	382,348,928 316,278,265 (72,317,357) 626,309,836 3,145,198,003
7	Long	term investments - related parties			
	Relate	ed parties - at cost			
	Cap	acia (Partnership firm): oital held: 98% (30 June 2021: 98%) naging Partner - Osman Khalid Waheed	7.1	217,692,708	182,614,290
	15,1 ordi Equ	osciences Limited (unlisted subsidiary): 199,996 (30 June 2021: 15,199,996) fully painary shares of Rs. 10 each hity held: 80% (30 June 2021: 80%) ef Executive Officer - Mrs. Akhter Khalid W	7.2	151,999,960	151,999,960
				369,692,668	334,614,250

- under the Partnership Act, 1932 and engaged in operating retail pharmacy.
- 7.2 BF Biosciences Limited has been set up for establishing a Biotech Pharmaceutical Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company holds 80% (30 June 2021: 80%) of equity of the subsidiary and the remaining 20% is held by Group Empresarial Bagó S.A., Spain.

Short	term investments		Note	Un-audited 31 March 2022	Audited 30 June 2021
			Note	Кир	ecs
	ments at fair value through profit or loss		0.1	000 000 000	1 000 55 6 0 10
Mutua	.l fund		8.1	899,860,808	1,080,776,249
8.1	These investments are measured at 'fair value through Profit or Loss'				
	Fair value at 01 July			1,080,776,249	357,590,624
	(Redemption) / acquisition during the period / year - n	iet		(206,765,889)	722,284,892
	Realized gain on sale of investments during the period	l/year		3,614,169	-
	Unrealized gain on re-measurement of investment duri	ing the period / year		22,236,279	900,733
	Fair value of investments at 31 March / 30 June		8.1.1	899,860,808	1,080,776,249
8.1.1	Mutual fund wise detail is as follows:		•		
		Units		Fair v	value
		Un-audited	Audited	Un-audited	Audited
		31 March	30 June	31 March	30 June
		2022	2021	2022	2021
		Numb	er	Rup	ees
	HBL Money Market Fund	2,657,148	2,657,148	291,601,503	272,620,435
	MCB Cash Management				
	Optimizer Fund	10,939	10,939	1,109,225	1,104,355

8.2 The investments amounting to Rs. 669.89 million are marked under lein against short term borrowing facilities availed by the Company. Further, the gain earned from these investments is under non shariah compliant arrangement.

6,822,756

2,577,448

7,974,699

344,329,490

262,820,590

899,860,808

807,051,459 1,080,776,249

9 Cash and bank balances

HBL Cash Fund

MCB Pakistan Cash Management Fund

8

- **9.1** These include current account of Rs. 0.002 million (30 June 2021: Rs. 3.88 million) maintained under Shariah compliant arrangements.
- 9.2 These include deposit accounts of Rs. 3.41 million (30 June 2021: Rs. 187.67 million) under mark up arrangements, which carries interest rate of 5.50% to 8.26% (30 June 2021: 5.50% to 5.51%) per annum.

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

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

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

			(Un-audited) Nine	e months ended
			31 March	31 March
			2022	2021
		Note	Rupe	ees
Cost of sa	les			
Raw and p	packing materials consumed	11.1	1,455,476,040	1,047,269,689
Other man	ufacturing expenses		750,765,831	651,418,059
			2,206,241,871	1,698,687,748
Work in pr	rocess:			
Opening			90,888,803	93,642,720
Closing			(164,912,299)	(69,351,308)
			(74,023,496)	24,291,412
Cost of go	ods manufactured		2,132,218,375	1,722,979,160
Finished s	tock:			
Opening			719,606,841	1,007,744,405
Purchase	es made during the period		1,375,193,200	1,021,418,088
Closing			(1,182,578,557)	(971,825,763)
			912,221,484	1,057,336,730
			3,044,439,859	2,780,315,890
11.1 Ra	aw and packing materials consumed			
Oŗ	pening		584,711,427	539,746,654
Pu	irchases made during the period		1,630,540,385	1,011,847,084
			2,215,251,812	1,551,593,738
Cl	osing		(759,775,772)	(504,324,049)
			1,455,476,040	1,047,269,689

11

12 Transactions with related parties

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

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

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

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

14 Financial risk management and fair value of financial instruments

The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2021. 14.1

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. 14.2

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

		Carrying Amount	Amount			Fair Value	
	Fair Value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
30 June 2021 (A udiécel)				- Rupees		-	
So June 2021 (Auditeu) Einancial ascots measured at fair value	1 080 776 340			1 080 776 240	1 080 775 740		
i ilialiciai asses ilicasaled al Iali value.	1,000,770,249			1,000,770,249	1,000,770,247		
Financial assets not measured at fair value							
Long term deposits	ı	9,717,325	ı	9,717,325		ı	
Trade debts - considered good	•	1,313,592,150		1,313,592,150		•	
Loans and advances - considered good	•	1,611,544		1,611,544			
Short term deposits	•	131,140,027		131,140,027			
Other receivables	•	14,110,312		14,110,312			
Cash and bank balances	•	399,374,281	-	399,374,281	-	-	
	,	1,869,545,639	1	1,869,545,639		1	
Financial liabilities measured at fair value:		'	,	,	1	1	
Financial liabilities not measured at fair value							
Trade and other payables		1	1,651,551,592	1,651,551,592	ı	ı	
Unclaimed dividend	•	ı	80,049,018	80,049,018	•	1	
Long term loans - secured	•	1	250,710,738	250,710,738	ı	ı	
Short term borrowings - secured		•		1		1	
Accrued mark-up	•	-	2,439,282	2,439,282	-	-	
			1,984,750,630	1,984,750,630	1	1	

Subsequent event and date of authorization for issue 15

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

Corresponding figures 16

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.





CONSOLIDATED FINANCIAL STATEMENTS

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

		Un-audited 31 March 2022	Audited 30 Jun 2021			Un-audited 31 March 2022	Audited 30 Jun 2021
EQUITY AND LIABILITIES	Note	Kupees	es	ASSETS	Note	Kupees	
Share capital and reserves				Non-current assets			
Authorized share capital 50,000,000 (30 June 2021: 50,000,000) ordinary shares of Rs. 10 each		500,000,000	500,000,000	Property, plant and equipment Investment property Intangible assets	~	5,505,193,844 79,371,992 1,143,805	4,792,309,703 79,371,992 638,172
Issued, subscribed and paid up capital Accumulated profit Capital reserve Revaluation surplus on property, plant and equipment	·	362,242,100 6,255,031,711 321,843 1,341,318,896	362,242,100 5,712,629,125 321,843 1,398,041,802	Long term deposits Current assets		5,600,253,966	14,544,325
Equity attributable to owners of the Company Non-controlling interests	·	7,958,914,550 523,207,368 8,482,121,918	7,473,234,870 419,174,160 7,892,409,030	Stores, spare parts and loose tools Stock in trade Trade debts		137,012,678 2,715,787,161 1,198,923,385	86,845,985 2,019,922,504 1,540,081,880
Non-current liabilities				Loans and advances - considered good Deposits and prepayments Other receivables - considered good		211,909,509 161,247,811	68,039,698 159,196,692 23,372,821
Long term loan - secured Deferred grant Deferred taxation	4	1,339,875,927 221,236,393 441,882,774 2,002,995,094	957,100,775 174,130,601 415,231,165	Carol records of the second line one tax - net Short term investments Cash and bank balances	<i>∞ o</i> √	298,385,171 2,396,808,497 381,381,853 7,570,153,359	23,372,821 402,990,063 1,940,494,936 830,509,036
Current Habilities		1,000,000,000,000,000,000,000,000,000,0	11.0,701,010,1				0.000
Trade and other payables Contract liabilities Short term borrowings - secured Current portion of long term liabilities Unclaimed dividend Accrued mark-up	у.	2,032,742,980 73,322,916 274,910,129 193,479,510 92,788,487 18,076,291 2,685,290,313	2,168,801,469 45,044,966 - 216,372,103 80,049,018 9,178,680 2,519,446,236				
Contingencies and commitments	6	13,170,407,325	11,958,317,807			13,170,407,325	11,958,317,807

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

Chief Financial Officer

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

For the nine months and quarter ended 31 March 2022

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

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

Chief Executive Officer	Chief Financial Officer	Director

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

For the nine months and quarter ended 31 March 2022

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

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

Chief Executive Officer Chief Financial Officer Director

Ferozsons Laboratories Limited Condensed Interim Consolidated Statement of Changes in Equity (Un-audited) For the nine months ended 31 March 2022

	At	tributable to Ow	Attributable to Owners of the Company	ny.			
		Capital	Capital reserve	Revenue reserve			
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profits	Total	Non-controlling interests	Total
				Rupees	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Balance as at 01 July 2020	301,868,410	321,843	1,473,713,362	4,644,626,609	6,420,530,224	227,894,083	6,648,424,307
Total comprehensive income for the period	1	I	1	757,950,085	757,950,085	64,589,795	822,539,880
Surplus transferred to accumulated profit: -on account of incremental depreciation charged during the period - net of tax	ı	1	(56,731,520)	56,731,520	ı	1	,
Effect of change in tax rate on account of surplus on property, plant and equipment	ı	ı	907,293	1	907,293	1	907,293
Transactions with owners of the Company: recognized directly in equity							
-Final dividend for the year ended 30 June 2020	1	1	ı	(120,747,364)	(120,747,364)	1	(120,747,364)
at Ks. 4 per share -Issuance of bonus shares at 20%	60,373,690	1	1	(60,373,690)		1	
	060,676,000	ı	ı	(101,121,034)	(120,747,304)	•	(120,747,304)
Balance as at 31 March 2021 - un-audited	362,242,100	321,843	1,417,889,135	5,278,187,160	7,058,640,238	292,483,878	7,351,124,116
Balance as at 01 July 2021	362,242,100	321,843	1,398,041,802	5,712,629,125	7,473,234,870	419,174,160	7,892,409,030
Total comprehensive income for the period							
-Profit after taxation	ı	ı	1	847,921,780	847,921,780	65,448,684	913,370,464
obtained during the period - net of tax	'	1	ı		- 1	38,584,524	38,584,524
Surplus transferred to accumulated profit: -on account of incremental depreciation charged during the period - net of tax	1 1	1 1	. (56,722,906)	56,722,906	047,721,700	104,033,400	
Transactions with owners of the Company; recognized directly in equity -Final dividend for the year ended 30 June 2021 at Rs. 10 per share	1	1	ı	(362,242,100)	(362,242,100)	ı	(362,242,100)
Balance as at 31 March 2021 - un-audited	362,242,100	321,843	1,341,318,896	6,255,031,711	7,958,914,550	523,207,368	8,482,121,918

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

Director

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

For the nine months ended 31 March 2022

For the nine months ended 31 March 2022			
		Nine month	ns ended
		31 March 2022	31 March 2021
		Rupe	
Cash flow from operating activities			
Profit before taxation		1,218,193,588	1,037,627,163
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment		310,878,361	298,370,037
Amortisation of intangibles		272,168	344,559
Gain on disposal of property, plant and equipment		(26,755,032)	(25,341,963)
Finance costs Dividend income		73,950,311	44,033,489
Gain on re-measurement of short term investments to f	fair value	(117,942,850)	(27,422,966) (19,626,414)
Gain on sale of short term investments	ian varue	(3,614,169)	(17,020,414)
Profit on bank deposits		(12,382,826)	(3,539,653)
Workers' Profit Participation Fund		67,182,287	58,563,460
Workers' Welfare Fund		19,154,798	24,046,202
Central Research Fund		13,572,179	11,831,002
		291,967,944	361,257,753
Cash generated from operations before working capit	al changes	1,510,161,532	1,398,884,916
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(50,166,693)	(15,078,013)
Loans, advances, deposits and prepayments		(151,498,003)	69,879,074
Stock in trade		(695,864,657)	(75,878,324)
Trade debts		(556,370,858)	(454,749,541) (475,826,804)
(Decrease) / increase in current liabilities		(550,570,656)	(4/3,820,804)
Trade and other payables		(151,261,751)	187,163,827
Cash generated from operations		802,528,923	1,110,221,939
Taxes paid		(221,617,732)	(216,286,652)
Workers' Profit Participation Fund paid		(37,068,260)	(3,573,801)
Workers' Welfare Fund paid		(1,778,484)	(8,875,283)
Central Research Fund paid		(17,581,082)	(6,785,079)
Long term deposits		-	(368,500)
Net cash generated from operating activities		524,483,365	874,332,624
Cash flow from investing activities			
Acquisition of property, plant and equipment		(1,024,850,037)	(210,432,799)
Acquisition of intangibles		(777,819)	(635,543)
Proceeds from sale of property, plant and equipment		27,842,567	31,924,609
Dividend income		117,942,850	27,422,966
Profit on bank deposits		12,382,826	3,539,653
Acquisition of short term investments - net		(418,193,733)	(827,052,190)
Net cash used in investing activities		(1,285,653,346)	(975,233,304)
Cash flow from financing activities			
Finance cost paid		(65,052,700)	(43,041,705)
Proceeds of long term loan		593,093,000	544,000,000
Repayment of long term loan		(141,375,000)	(47,125,000)
Dividend paid		(349,532,631)	(117,522,227)
Net cash generated from financing activities		37,132,669	336,311,068
Net (decrease) / increase in cash and cash equivalents		(724,037,312)	235,410,388
Cash and cash equivalents at the beginning of the peri		830,509,036	100,375,708
Cash and cash equivalents at the end of the period		106,471,724	335,786,096
Cash and eash equivalents comprise of the followings			
Cash and cash equivalents comprise of the following: Cash and bank balances		201 201 052	621 056 967
Running finance		381,381,853 (274,910,129)	621,056,867 (285,270,771)
Running iniance		106,471,724	335,786,096
The annexed notes from 1 to 16 form an integral part of the	hese condensed interim consolidated financial sta	tements.	
Chief Eventine Off	Chief Financial Office		
Chief Executive Officer	Chief Financial Officer		Director

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

For the nine months ended 31 March 2022

The Group and its operation

Ferozsons Laboratories Limited ("the Holding Company") was incorporated as a private limited company on 28 January 1954 and was converted into a public limited company on 08 September 1960. The Holding Company is listed on the Pakistan Stock Exchange Limited and is primarily engaged in the imports, manufacture and sale of pharmaceuticals products and medical devices. Its registered office is situated at 197-A, The Mall, Rawalpindi and the manufacturing facility is located at Amangarh, Nowshera, Khyber Pakhtoonkhwa.

"The Group" consists of the following subsidiaries:

Company / Entity	County of incorporation	Nature of business —	Effective	holding %
Company / Entity	County of incorporation	Nature of Dusiness —	Mar-22	Jun-21
BF Biosciences Limited	Pakistan	Import, manufacturing and sale of pharmaceutical products	80	80
Farmacia	Pakistan	Sale and distribution of medicines and other related products	98	98

The Holding Company has 98% holding in Farmacia. Farmacia is a partnership duly registered under Partnership Act, 1932. Farmacia is engaged in the retail trading of pharmaceutical products.

Basis of consolidation 2

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

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

3 **Basis of preparation**

3.1 Statement of compliance

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

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

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

3.2 **Basis of accounting**

3.2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Holding Company, as at 31 March 2022 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows together with the notes forming part thereof.

- This condensed interim consolidated financial information do not include all of the information required for 3.2.2 annual financial statements, and should be read in conjunction with the consolidated financial statements of the Holding Company as at and for the year ended 30 June 2021.
- 3.2.3 Comparative figures of the statement of financial position are extracted from the annual financial statements for the year ended 30 June 2021, whereas comparatives of statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim consolidated financial information for the nine months period ended 31 March 2021.
- 3.2.4 This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3.3 Judgements and estimates

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

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

3.4 Statement of consistency in accounting policies

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

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

Long term loan - secured 4

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

Short term borrowings - secured

There were no material changes in any of the facilities during the period. All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual consolidated financial statements for the year ended 30 June 2021.

Contingencies and commitments 6

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

			Un-audited	Audited
			31 Mar	30 Jun
			2022	2021
			Rupe	ees
7	Property, plant and equipment	Note		
	Operating fixed assets	7.1	3,711,079,740	3,781,725,552
	Capital work-in-progress	_	1,794,114,104	1,010,584,151
		- -	5,505,193,844	4,792,309,703
	7.1 Operating fixed assets			
	<u>Cost</u>			
	Opening balance at beginning of the period / year		4,537,051,416	4,333,431,023
	Additions / transfers during the period / year		241,320,084	293,250,664
	Disposals during the period / year		(59,429,468)	(89,630,271)
	Closing balance at end of the period / year	•	4,718,942,032	4,537,051,416
	Less: Accumulated depreciation			
	Opening balance at beginning of the period / year		755,325,864	435,021,545
	Depreciation for the period / year		310,878,361	397,991,735
	On disposals		(58,341,933)	(77,687,416)
	Closing balance at end of the period / year	•	1,007,862,292	755,325,864
	Operating fixed assets - net book value	_	3,711,079,740	3,781,725,552

			Note	Un-audited 31 Mar 2022	Audited 30 Jun 2021
			Note	Rupo	ees
Shor	t term investments				
Inves	stments at fair value through profit or loss				
Mutu	al fund		8.1	2,396,808,497	1,940,494,936
8.1	These investments are measured at 'fair value through Profit or	r Loss'			
	Fair value at 01 July			1,940,494,936	760,707,781
	Acquisition during the period / year - net			416,035,357	1,177,338,511
	Realized gain on sale of investments during the period / year			3,614,169	1,114,414
	Unrealized gain on re-measurement of investment during the p	eriod / year		36,664,035	1,334,230
	Fair value of investments at 31 March / 30 June		8.1.1	2,396,808,497	1,940,494,936
		Units	<u> </u>	Fair v	alue
		Un-audited	Audited	Un-audited	Audited
		31 Mar	30 Jun	31 Mar	30 Jun
		2022	2021	2022	2021
		Numb	er	Rupo	ees
8.1.1	Mutual fund wise detail is as follows:				
	HBL Money Market Fund	2,970,895	2,970,895	326,032,826	304,810,536
	HBL Cash Fund	10,691,996	13,809,849	1,317,768,333	1,397,577,404
	ABL Cash Fund	34,542,858	19,529,031	367,055,305	198,825,080
	MCB Pakistan Cash Management Fund	6,822,756	-	344,329,490	-
	MCB Cash Management Optimizer Fund	389,087	389,087	41,622,543	39,281,916
				2,396,808,497	1,940,494,936

9 Cash and bank balances

8

- 9.1 These include current account of Rs. 5.80 million (30 June 2021: Rs. 3.88 million) maintained under Shariah compliant arrangements.
- 9.2 These include deposit accounts of Rs. 7.04 million (30 June 2021: Rs. 518.62 million) under mark up arrangements, which carry interest rates ranging from 5.50% to 8.26% (30 June 2021: 5.50% - 5.51%) per annum.

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

			-	(Un-audited) Nin	e months ended
			•	31 Mar 2022	31 Mar 2021
			Note	Rupo	ees
10	Revei	nue – net			
	Gross	sales:			
	Loc	al		6,823,752,810	5,523,320,244
	Exp	port		765,773,560	932,003,264
				7,589,526,370	6,455,323,508
	Less:		,		
		les returns		(145,723,265)	(52,161,713)
		scounts		(490,467,211)	(354,206,995)
	Sa	les tax		(1,909,750)	(6,289,489)
				(638,100,226)	(412,658,197)
			:	6,951,426,144	6,042,665,311
		represents sale of both own manufactured and pu		(Un-audited) Nin	e months ended
			•	31 Mar	31 Mar
			•	2022 Rupo	2021
				Kupi	ccs
11	Cost	of sales			
		and packing materials consumed	11.1	1,772,186,507	1,391,490,569
	Other	manufacturing expenses		1,025,812,780	936,393,184
	*** 1			2,797,999,287	2,327,883,753
		in process:	ľ	144.260.607	154 579 524
	_	ening		144,369,687	154,578,524
	Cic	sing	Ĺ	(244,560,456)	(108,729,020)
				(100,190,769)	45,849,504
	Cost	of goods manufactured	•	2,697,808,518	2,373,733,257
	Finish	ned stock:			
		ening		794,499,368	1,061,511,581
		chases made during the period		1,550,226,800	1,206,317,161
	Clo	sing		(1,264,708,975)	(1,057,889,064)
				1,080,017,193	1,209,939,678
			:	3,777,825,711	3,583,672,935
	11.1	Raw and packing materials consumed			
		Opening		868,772,234	632,241,640
		Purchases made during the period		2,310,693,146	1,447,734,139
			•	3,179,465,380	2,079,975,779
		Closing		(1,407,278,873)	(688,485,210)
			•	1,772,186,507	1,391,490,569
			:		

12 Transactions with related parties

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

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

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

	Unclaimed dividend	Accrued mark-up	Long term loan	Total
		Ruj	oees	
As at 01 July 2021	80,049,018	9,178,680	1,347,603,479	1,436,831,177
Changes from financing cash flows				
Dividend paid	(349,532,631)	-	-	(349,532,631)
Repayment of term loan	-	-	(141,375,000)	(141,375,000)
Financial charges paid	-	(65,052,700)	-	(65,052,700)
Total changes from financing cash flows	(349,532,631)	(65,052,700)	(141,375,000)	(555,960,331)
Other changes				
Dividend approved	362,242,100	-	-	362,242,100
Interest / markup expense	-	73,950,311	(44,729,649)	29,220,662
Proceeds of loan during the period			593,093,000	593,093,000
Total liability related other changes	362,242,100	73,950,311	548,363,351	984,555,762
As at 31 March 2022	92,758,487	18,076,291	1,754,591,830	1,865,426,608

14 Financial risk management and financial instruments - fair value

The Group's financial risk management objective and policies are consistent with that disclosed in the annual 14.1 consolidated financial statements of the Holding Company for the year ended 30 June 2021. The exposure to credit risk relates to trade and other receivables which are majorly due from Government institutions and the Company does not expect these institutions to fail to meet their obligations.

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

		Carrying	Carrying Amount			Fair Value	
	Fair Value through Financial assets at profit or loss amortised cost	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
31 March 2022 (Un-audited)				Rupees			
Financial assets measured at fair value:							
Short term investments	2,396,808,497		,	2,396,808,497	2,396,808,497		
Financial assets not measured at fair value:							
Long term deposits	•	14,544,325		14,544,325		1	
Trade debts	•	1,198,923,385		1,198,923,385	•	•	
Loans and advances - considered good	•	24,608,409		24,608,409		•	
Short term deposits	•	154,113,155		154,113,155		•	
Other receivables - considered good	•	2,979,546		2,979,546			
Cash and bank balances		381,381,853		381,381,853			
		1,776,550,673		1,776,550,673			
Financial liabilities measured at fair value:		,		1.			
Financial liabilities not measured at fair value:							
Trade and other payables		•	1,897,230,218	1,897,230,218	•	•	
Unclaimed dividend	•	•	92,758,487	92,758,487	•	•	
Short term borrowing		•	274,910,129	274,910,129		•	
Accrued mark-up	•	•	18,076,291	18,076,291		•	
	,		2.282.975.125	2.282.975.125			

30 June 2021 (Audited)

Financial assets measured at fair value:							
Short term investments	1,940,494,936			1,940,494,936	1,940,494,936		
Financial assets not measured at fair value:							
Long term deposits	•	14,544,325	1	14,544,325	,		
Trade debts	•	1,540,081,880	1	1,540,081,880	•		•
Loans and advances - considered good	•	1,611,544	•	1,611,544	•	•	
Short term deposits		158,775,702	1	158,775,702	•	1	
Other receivables - considered good		5,263,423	•	5,263,423		ı	
Cash and bank balances		830,509,036	•	830,509,036		•	
		2,550,785,910		2,550,785,910			
Financial liabilities measured at fair value:	,	,	,	,		,	'
Financial liabilities not measured at fair value:							
Trade and other payables	,	•	2,012,301,586	2,012,301,586	ı		•
Unclaimed dividend	•		80,049,018	80,049,018	•	•	•
Accrued mark-up		•	9,178,680	9,178,680		•	
	•		2.101.529.284	2.101.529.284	•		

15	Subsequent event and date of authorization for issue
	The Board of Directors of the Holding Company in its meeting held on 26 April 2022 has authorized to issue these condensed interim consolidated financial statements.
16	Corresponding figures
	Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.



