



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD
ENDED 30 SEPTEMBER 2024**



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BIOSCIENCES

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sebastian Martin Ferrarassi
Mrs. Akhter Khalid Waheed
Mrs. Amna Piracha Khan
Mr. Osman Khalid Waheed
Mrs. Munize Azhar Peracha
Mr. Naveed Kamran Baloch
S M Wajeesh Uddin

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

Chairman
Chief Executive Officer

AUDIT COMMITTEE

S M Wajeesh Uddin
Mrs. Amna Piracha Khan
Mr. Osman Khalid Waheed
Mr. Naveed Kamran Baloch

Chairman
Member
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Naveed Kamran Baloch
Mr. Osman Khalid Waheed
Mrs. Akhter Khalid Waheed
S M Wajeesh Uddin

Chairman
Member
Member
Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Abdur Rehman

LEGAL ADVISORS

Khan & Piracha

REGISTERED OFFICE

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

HEAD OF INTERNAL AUDIT

Mr. Muhammad Muzammil Ijaz

SHARE REGISTRAR

CDC Share Registrar Services
Limited

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

CDC House, 99-B, Block-B,
S.M.C.H.S, Main Shahrah Faisal,
Karachi.
Telephone: +92-21-1111 111 500

BANKERS

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

FACTORY & HEAD OFFICE

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

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

We are pleased to present a brief review of un-audited condensed interim financial information of BF Biosciences Limited ("the Company") for the three months ended 30 September 2024.

Highlights of the Company's Financial Results

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

	Period Ended	
	3 Months 30-Sep-24	3 Months 30-Sep-23
	(Rupees in thousands)	
Revenue – net	1,386,372	964,799
Gross profit	563,833	378,430
Profit before tax	186,236	167,810
Profit after tax	115,273	100,773
Earnings per share (Rs.)	1.82	1.59

Financial and Operational Review:

The Company's net sales closed at Rs. 1,386 million, compared to Rs. 965 million, depicting a growth of 44% over the same period last year.

In-market generic sales grew by 34%, whereas institutional sales increased by 112%. Majority of the contribution to increase in topline represents volumetric increase.

The Company's gross profit margin stands at 40.7% compared to 39.2% same period last year. The increase is mainly due to favorable change in sales mix, together with increase in sales volumes which resulted in lesser overhead cost per unit. However, post full commissioning of Line II, the fixed costs will increase which will ultimately impact the gross profit margin in the short run.

In line with the increase in topline, selling and distribution expenses have increased by 71%. The increase is primarily due to field force and marketing activities during the period under review.

Administrative expenses have been increased by Rs. 5.3 million, primarily due to salaries and inflation impact.

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. The management has assessed the impact of diluted earnings per share as of 30 September 2024 and being im-material, same has not been disclosed in interim financial statements.

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

Future Outlook

We are honoured to inform our Shareholders that subsequent to the reporting period, the Initial Public Offering (IPO) of the Company has been successfully completed, generating significant investor interest. The share offer was significantly oversubscribed, and the proportionate shares were credited in respective shareholders accounts post 30 September 2024. Trading in shares was commenced on 21 October 2024.

The prefilled syringes line has been successfully commissioned and commercial production has been commenced from the said line. The volumetric growth in the top line also includes the output from prefilled syringes line for the period under review and management is confident that addition of new products will add to the growth of the company.

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, post IPO we are in process of procuring raw materials for the finished products planned to be manufactured on combi line.

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

Mrs. Akhter Khalid Waheed
Chief Executive Officer

Mr. Osman Khalid Waheed
Director

27 October 2024

مستقبل کا منظر نامہ

ہم اپنے شیئر ہولڈرز کو یہ بتاتے ہوئے فخر محسوس کر رہے ہیں کہ رپورٹنگ کی مدت کے بعد، کمپنی کی ابتدائی عوامی پیشکش (IPO) کامیابی کے ساتھ مکمل ہو گئی ہے، جس نے سرمایہ کاروں کی نمایاں دلچسپی حاصل کی۔ شیئر کی پیشکش کو کافی زیادہ سبسکرائب کیا گیا، اور تناسبی شیئرز کو 30 ستمبر 2024 کے بعد متعلقہ شیئر ہولڈرز کے اکاؤنٹس میں جمع کر دیا گیا۔ شیئرز کی تجارت 21 اکتوبر 2024 کو شروع ہوئی۔

پری فلڈ سرخزلان کامیابی سے کمیشن کی جاچکی ہے، اور اس لائن سے کمرشل پروڈکشن کا آغاز ہو چکا ہے۔ ٹاپ لائن میں حجم کے لحاظ سے اضافے میں پری فلڈ سرخزلان کی پیداوار بھی شامل ہے، اور انتظامیہ کو پورا یقین ہے کہ نئے پروڈکٹس کی شمولیت کمپنی کی ترقی میں مزید اضافہ کرے گی۔ لائیو فلائرز اور کو مبی فلنگ لائنز بھی نصب اور ویلیدیٹ ہو چکی ہیں اور جلد ہی ان سے بھی تجارتی پیداوار شروع ہونے کی توقع ہے۔ اس کے ساتھ ساتھ ہم کو مبی لائن پر تیار ہونے والی مصنوعات کے لیے خام مال کی خریداری کے عمل میں بھی مصروف ہیں۔

شکریہ

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

بورڈ آف ڈائریکٹرز کی جانب سے

جناب عثمان خالد وحید

ڈائریکٹر

مسز اختر خالد وحید

چیف ایگزیکٹو آفیسر

27 اکتوبر 2024

30 ستمبر 2024 کو اختتام پذیر ہونے والے تین ماہ کی (کنڈینسڈ) عبوری مالیاتی معلومات کے بارے میں ڈائریکٹرز کا جائزہ

ہم خوشی کے ساتھ بی ایف بائیوسائنسز لمیٹڈ ("کمپنی") کی غیر آڈٹ شدہ مختصر عبوری مالی معلومات کا مختصر جائزہ پیش کرتے ہیں، جو 30 ستمبر 2024 کو ختم ہونے والے تین ماہ کے لیے ہے۔

کمپنی کے مالی نتائج کی نمایاں خصوصیات

اس مدت کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے۔

3 مہینے	3 مہینے
30-ستمبر-2023	30-ستمبر-2024
(روپے ہزار میں)	
964,799	1,386,372
378,430	563,833
167,810	186,236
100,773	115,273
1.59	1.82
آمدنی - خالص	
مجموعی منافع	
قبل از ٹیکس منافع	
ٹیکسیشن (Taxation)	
بعد از ٹیکس منافع	

مالی اور عملیاتی جائزہ

کمپنی کی خالص 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۔ مارکیٹ میں جیٹرک مصنوعات کی فروخت میں 34% اضافہ ہوا، جبکہ ادارہ جاتی فروخت میں 112% اضافہ ہوا۔ مجموعی آمدنی میں اضافے کا زیادہ تر حصہ مقدار میں اضافے کی عکاسی کرتا ہے۔

کمپنی کا مجموعی منافع کا مارجن 40.7% ہے، جو پچھلے سال کی اسی مدت میں 39.2% کے مقابلے میں بڑھا ہے۔ یہ اضافہ بنیادی طور پر فروخت کے مکس میں مثبت تبدیلی اور فروخت کے حجم میں اضافے کی وجہ سے ہوا ہے، جس کے نتیجے میں نی یونٹ اور ہیڈ لاگت میں کمی آئی۔ تاہم، لائن 2 کی مکمل کمیشننگ کے بعد، مقررہ اخراجات میں اضافہ ہوگا، جو قلیل مدتی میں مجموعی منافع کے مارجن پر اثر انداز ہوگا۔

مجموعی آمدنی میں اضافے کے ساتھ، فروخت اور تقسیم کے اخراجات میں 71% اضافہ ہوا ہے۔ یہ اضافہ بنیادی طور پر جائزے کے دورانیے کے دوران میدان میں کام کرنے والی فورس اور مارکیٹنگ کی سرگرمیوں کی وجہ سے ہوا ہے۔

انتظامی اخراجات میں 5.3 ملین روپے کا اضافہ ہوا ہے، جو بنیادی طور پر تنخواہوں اور مہنگائی کے اثرات کی وجہ سے ہے۔

کمپنی کا بعد از ٹیکس منافع 115 ملین روپے رہا، جو پچھلے سال کی اسی مدت میں حاصل کردہ 101 ملین روپے کے مقابلے میں 14% کا اضافہ ظاہر کرتا 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۔ انتظامیہ نے 30 ستمبر 2024 کے اعتبار سے (Diluted) فی شیئر آمدنی کے اثرات کا جائزہ لیا ہے اور چونکہ یہ معمولی ہے، اس لیے اسے عبوری مالی بیانات میں ظاہر نہیں کیا گیا۔

OUR FINANCIAL STATEMENTS



BF Biosciences Limited
Condensed Interim Statement of Financial Position
As at 30 September 2024

	Un-audited 30 September 2024	Audited 30 June 2024
	----- Rupees -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital 400,000,000 (30 June 2024: 400,000,000) ordinary shares of Rs. 3 each (30 June 2024: Rs. 3 each)	1,200,000,000	1,200,000,000
Issued, subscribed and paid up capital	190,000,002	190,000,002
Unappropriated profit	2,284,891,679	2,169,618,676
	<u>2,474,891,681</u>	<u>2,359,618,678</u>
	3	
Non-current liabilities		
Long term loans - secured	1,560,456,636	1,590,848,705
Long term musharaka - secured	20,424,855	-
Deferred grant	402,465,984	432,595,276
Deferred taxation	43,038,310	48,309,550
	<u>2,026,385,785</u>	<u>2,071,753,531</u>
	4	
Current liabilities		
Current portion of:		
- Long term loans - secured	305,101,760	292,719,538
- Long term musharaka - secured	3,387,047	-
- Deferred grant	123,137,115	125,451,492
Trade and other payables	1,139,302,648	622,636,797
Subscription money received against IPO	1,651,999,762	-
Contract liabilities	41,404,625	25,421,875
Short term borrowings - secured	368,332,651	328,698,729
Mark-up accrued on borrowings	33,633,993	33,664,334
	<u>3,666,299,601</u>	<u>1,428,592,765</u>
	6	
Contingencies and commitments		
	<u>8,167,577,067</u>	<u>5,859,964,974</u>
	7	
ASSETS		
Non-current assets		
Property, plant and equipment	4,256,862,323	4,174,912,456
Long term deposits	10,827,000	7,827,000
Intangibles	415,083	553,445
	<u>4,268,104,406</u>	<u>4,183,292,901</u>
	8	
Current assets		
Stores, spare parts and loose tools	135,172,542	114,601,896
Stock in trade	1,000,870,850	779,210,877
Trade debts	474,932,531	204,611,049
Loans and advances	63,105,486	26,132,856
Deposits, prepayments and other receivables	320,519,928	202,783,405
Short term investments	41,043,512	39,012,771
Advance income tax - net	-	31,549,367
Cash and bank balances	1,863,827,812	278,769,852
	<u>3,899,472,661</u>	<u>1,676,672,073</u>
	9	
	<u>8,167,577,067</u>	<u>5,859,964,974</u>

Note

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BF Biosciences Limited
Condensed Interim 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	1,386,371,545	964,798,759
Cost of goods sold	11	<u>(822,538,648)</u>	<u>(586,368,762)</u>
Gross profit		563,832,897	378,429,997
Administrative expenses		(11,916,088)	(6,533,305)
Selling and distribution expenses		(304,865,314)	(178,574,457)
Other expenses		(28,189,471)	(14,391,770)
Other income		2,401,815	30,177,088
Profit from operations		221,263,839	209,107,553
Finance cost		(35,028,094)	(41,297,226)
Profit before income tax, final tax and minimum tax differential		186,235,745	167,810,327
Minimum tax differential		(4,159,351)	(3,882,642)
Final tax		<u>(488,651)</u>	<u>(1,181,193)</u>
Profit before income tax		181,587,743	162,746,492
Income tax		(66,314,740)	(61,973,115)
Profit after taxation		115,273,003	100,773,377
			<i>Re-stated</i>
Earnings per share - basic and diluted	12	<u>1.82</u>	<u>1.59</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BF Biosciences Limited

Condensed Interim 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	115,273,003	100,773,377
<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	<u>115,273,003</u>	<u>100,773,377</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BF Biosciences Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the period ended 30 September 2024

	Share capital	Revenue reserve Unappropriated profit	Total
-----Rupees-----			
Balance as at 01 Jul 2023	190,000,000	1,784,205,491	1,974,205,491
Total comprehensive income for the period	-	100,773,377	100,773,377
Balance as at 30 September 2023 - unaudited	190,000,000	1,884,978,868	2,074,978,868
Balance as at 01 Jul 2024	190,000,002	2,169,618,676	2,359,618,678
Total comprehensive income for the period	-	115,273,003	115,273,003
Balance as at 30 September 2024 - unaudited	190,000,002	2,284,891,679	2,474,891,681

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BF Biosciences Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the period ended 30 September 2024

	First Quarter ended	
	30 September 2024	30 September 2023
<u>Cash flow from operating activities</u>		
Profit after taxation	115,273,003	100,773,377
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	15,326,302	8,385,805
Gain on disposal of property, plant and equipment	-	(1,745,314)
Amortization	138,362	138,362
Dividend income	-	(7,481,398)
Finance cost	35,028,094	41,297,226
(Gain) / loss on re-measurement of short term investments to fair value	(2,030,740)	134,018
Gain realized on sale of short term investments	-	(317,789)
Profit on bank deposits	(364,023)	(120,388)
Minimum tax	4,159,351	3,882,642
Final tax	488,651	1,181,193
Income tax	66,314,740	61,973,115
Provision for Workers' Profit Participation Fund	10,001,920	9,012,370
Provision for Central Research Fund	2,020,590	1,820,681
Provision for Workers' Welfare Fund	3,800,730	3,424,701
	134,883,977	121,585,224
Cash generated from operations before working capital changes	250,156,980	222,358,601
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(20,570,646)	(9,095,127)
Stock in trade	(221,659,973)	(82,545,747)
Trade debts	(270,321,482)	(22,009,591)
Loans and advances - considered good	(36,972,630)	(8,464,131)
Deposits, prepayments and other receivables	(117,736,523)	(45,564,218)
	(667,261,254)	(167,678,814)
<i>Increase in current liabilities</i>		
Trade and other payables	474,622,983	194,240,261
Contract Liability	15,982,750	14,610,569
Cash generated from operations	73,501,459	263,530,617
Income tax paid	(14,010,329)	(11,074,442)
Minimum tax paid	(4,159,351)	(3,882,642)
Final tax paid	(295,308)	(1,181,193)
	(18,464,988)	(16,138,277)
Net cash generated from operating activities	55,036,471	247,392,340
<u>Cash flow from investing activities</u>		
Fixed capital expenditure incurred	(97,276,169)	(25,477,919)
Dividend income	-	7,481,398
Increase in long term deposits	(3,000,000)	(3,000,000)
Short term investments - net	-	113,147,197
Profit on bank deposits received	364,023	120,388
Net cash (used in) / generated from investing activities	(99,912,146)	92,271,064
<u>Cash flow from financing activities</u>		
Long term loan paid	(50,453,516)	(49,005,281)
Long term musharaka received	26,768,774	-
Long term musharaka paid	(2,956,872)	-
Subscription money received against IPO	1,651,999,762	-
Finance cost paid	(35,058,435)	(46,666,082)
Net cash generated from / (used in) financing activities	1,590,299,713	(95,671,363)
Net increase in cash and cash equivalents	1,545,424,038	243,992,041
Cash and cash equivalents at the beginning of the period	(49,928,877)	(217,947,179)
Cash and cash equivalents at the end of the period	1,495,495,161	26,044,862
Cash and cash equivalents comprise of the following:		
Cash and bank balances	1,863,827,812	276,742,311
Running finance	(368,332,651)	(250,697,449)
	1,495,495,161	26,044,862

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BF Biosciences Limited

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

For the period ended 30 September 2024

1 Reporting entity

BF Biosciences Limited ("the Company") was incorporated on 24 February 2006 as an unlisted public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017), pursuant to signing of an agreement between M/s Ferozsons Laboratories Limited, Pakistan ("the Parent Company") and M/s Grupo Empresarial Bagó S.A, Spain for setting up a Biotech Pharmaceutical Plant. The Company commenced its commercial operations on 01 July 2009 and is primarily engaged in the imports, manufacture and sale of pharmaceutical products. The registered office of the Company is situated at 197-A, The Mall, Rawalpindi and the production facility is located at 5 KM- Sunder Raiwind Road Lahore. Subsequent to the period end, the Company has been listed on Pakistan Stock Exchange with effect from 21 October 2024.

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 financial statements comprises the condensed interim statement of financial position of the Company as at 30 September 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

2.2.2 These condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited 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 statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2024, whereas comparative 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 financial statements of the Company for the three month period ended 30 September 2023.

2.2.4 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

2.3 Judgements and estimates

In preparing these interim 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 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 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
	-----Rupees-----	
63,333,334 (30 June 2024: 63,333,334) ordinary shares of Rs. 3 (2024: Rs. 3) each fully paid in cash	<u>190,000,002</u>	<u>190,000,002</u>

4 Long term musharaka - secured

This represents financing facility obtained under "Diminishing Musharaka" from First Habib Modaraba for the purpose of purchase of vehicles. This loan carries markup at the rate of 3 month KIBOR plus 0.9%. The principal amount is payable in sixty monthly installments. This facility is secured by hypothecation charge over the assets (i.e. vehicles), provided to the Company under the contract.

5 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 2024.

6 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 2024.

		Un-audited 30 September 2024	Audited 30 June 2024
		-----Rupees-----	
7 Property, plant and equipment	<i>Note</i>		
Operating fixed assets	<i>7.1</i>	661,625,086	658,963,133
Capital work-in-progress		3,595,237,237	3,515,949,323
		<u>4,256,862,323</u>	<u>4,174,912,456</u>
7.1 Operating fixed assets			
<u>Cost</u>			
Opening balance at beginning of the period / year		1,452,647,899	948,461,898
Additions / transfers during the period / year		17,988,253	511,517,596
Disposals during the period / year		-	(7,331,595)
Closing balance at end of the period / year		<u>1,470,636,152</u>	<u>1,452,647,899</u>
<u>Less: Accumulated depreciation</u>			
Opening balance at beginning of the period / year		793,684,766	763,175,412
Depreciation for the period / year		15,326,300	35,566,416
On disposals		-	(5,057,062)
Closing balance at end of the period / year		<u>809,011,066</u>	<u>793,684,766</u>
Operating fixed assets - net book value		<u>661,625,086</u>	<u>658,963,133</u>

		Un-audited 30 September 2024	Audited 30 June 2024
		----- Rupees -----	
8 Short term investments	<i>Note</i>		
Investments at fair value through profit or loss - Mutual Funds	8.1	<u>41,043,512</u>	<u>39,012,771</u>
8.1 These investments are measured at 'fair value through Profit or Loss'			
Fair value at 01 July		39,012,771	147,385,823
Redemption during the period / year - net		-	(108,583,478)
Realized gain on sale of investments during the period / year		-	317,789
Unrealized gain / (loss) on re-measurement of investment during the period / year		<u>2,030,741</u>	<u>(107,363)</u>
Fair value at 30 September / 30 June	8.1.1	<u>41,043,512</u>	<u>39,012,771</u>

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.....	
ABL Cash Fund	1,226,287	1,226,287	13,201,098	12,555,825
HBL Money Market Fund	2,686	2,686	291,302	277,006
HBL Cash Fund	254,378	254,378	27,551,112	26,179,940
			<u>41,043,512</u>	<u>39,012,771</u>

9 Cash and bank balances

9.1 These include deposit accounts of Rs. 6.71 million (30 June 2024: Rs. 9.46 million) under mark up arrangements, which carry interest rates ranging from 18.21% - 19.05% (30 June 2024: 19.51% to 20.51%) per annum.

These also include deposit account of Rs. 0.71 million (30 June 2024: Rs. 0.69 million) under Shariah compliant arrangement, which carries profit rates ranging from 9.30% - 11.01% (30 June 2024: 11.01%) per annum.

(Un-audited) First Quarter ended	
30 September 2024	30 September 2023
----- Rupees -----	

10 Revenue - net

Gross sales:

Local	1,472,418,528	1,087,442,147
Export	38,682,115	5,898,328
	<u>1,511,100,643</u>	<u>1,093,340,475</u>

Less:

Sales returns	(1,541,133)	(43,161,117)
Discounts	(5,546,557)	(3,097,063)
Sales tax	(117,641,408)	(82,283,536)
	<u>(124,729,098)</u>	<u>(128,541,716)</u>
	<u>1,386,371,545</u>	<u>964,798,759</u>

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	30 September
		2024	2023
		----- Rupees -----	
11	Cost of sales		
		<i>Note</i>	
	Raw and packing materials consumed	<i>11.1</i>	383,159,063
	Other manufacturing expenses		323,499,201
			226,221,008
			154,224,597
			609,380,071
			477,723,798
	<i>Work in process:</i>		
	Opening		180,428,216
	Closing		91,884,608
			(132,759,080)
			(27,255,037)
			47,669,136
			64,629,571
	Cost of goods manufactured		657,049,207
			542,353,369
	<i>Finished stock:</i>		
	Opening		143,982,950
	Purchases made during the period		124,747,020
	Closing		(236,455,659)
			126,283,241
			165,489,441
			44,015,393
			822,538,648
			586,368,762
11.1	Raw and packing materials consumed		
	Opening		450,200,211
	Purchases made during the period		432,012,689
			430,349,866
			388,397,231
			880,550,077
			820,409,920
	Closing		(497,391,014)
			(496,910,719)
			383,159,063
			323,499,201

12 Earnings per share - basic and diluted

During the period under review, the Company has successfully completed book-building process relating to Initial Public Offering (IPO) on 25 and 26 September 2024 and the issue was oversubscribed. However, the general subscription was held on 02 and 03 October 2024. Accordingly, the shares were credited in respective shareholders' accounts post 30 September 2024. The management has assessed the impact of diluted earnings per share as at 30 September 2024 and being im-material, the diluted earnings per share has not been disclosed separately in these condensed interim financial statements.

13 Related party transactions

The Company's related parties include the parent company, associated companies, entities over which directors are able to exercise influence and staff retirement fund. 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
Ferozsons Laboratories Limited	Parent Company	Purchase of medicine	257,940,305	204,563,484
		Payment made against purchase of medicine	257,940,305	204,563,484
		Expenses incurred by the Company on behalf of FLL - net	14,903,363	18,216,098
		Receipts received from FLL - net	13,644,660	18,216,098
		Receipts received by the Company on behalf of FLL - net	1,258,703	-
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
Farmacia	Associated Company	Sale of medicine - net of returns and discounts	54,281,077	53,143,871
		Payment received against sale of medicine	54,281,077	53,143,871
Employees provident fund	Post employment benefit	Provident fund contribution	4,360,771	2,953,920
Key Management Personnel	Key management personnel	Remuneration including benefits and perquisites	2,424,397	-

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

	30 September 2024 (Un-audited)		30 September 2023 (Un-audited)					
	Long term loans and musharaka	Subscription money received against IPO	Accrued mark-up	Total	Long term loans and musharaka	Subscription money received against IPO	Accrued mark-up	Total
Balance as at 01 July	2,441,615,011	-	33,664,334	2,475,279,345	2,762,972,458	-	43,827,494	2,806,799,952
----- Rupees -----								
<u>Changes from financing cash flows</u>								
Long term loans repaid	(50,453,516)	-	-	(50,453,516)	(49,005,281)	-	-	(49,005,281)
Musharaka received	26,768,774	-	-	26,768,774	-	-	-	-
Musharaka paid	(2,956,872)	-	-	(2,956,872)	-	-	-	-
Subscription money received against IPO	-	1,651,999,762	-	1,651,999,762	-	-	-	-
Finance cost paid	-	-	(35,058,435)	(35,058,435)	-	-	(46,666,082)	(46,666,082)
Total changes from financing cash flows	(26,641,614)	1,651,999,762	(35,058,435)	1,590,299,713	(49,005,281)	-	(46,666,082)	(95,671,363)
<u>Non-cash changes</u>								
Interest expense	-	-	35,028,094	35,028,094	-	-	41,297,226	41,297,226
Total non-cash changes	-	-	35,028,094	35,028,094	-	-	41,297,226	41,297,226
Balance as at 30 September	2,414,973,397	1,651,999,762	33,633,993	4,100,607,152	2,713,967,177	-	38,458,638	2,752,425,815

15 Financial risk management and fair value of financial instruments

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

15.2 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)							
<i>Financial assets at fair value</i>							
Short term investments	41,043,512	-	-	41,043,512	41,043,512	-	-
<i>Financial assets at amortized cost</i>							
Long term deposits	-	10,827,000	-	10,827,000	-	-	-
Trade debts - considered good	-	474,932,531	-	474,932,531	-	-	-
Deposits and other receivables	-	271,497,209	-	271,497,209	-	-	-
Cash and bank balances	-	1,863,827,812	-	1,863,827,812	-	-	-
	-	2,621,084,552	-	2,621,084,552	-	-	-
<i>Financial liabilities measured at fair value</i>							
	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value</i>							
Trade and other payables	-	-	1,024,439,863	1,024,439,863	-	-	-
Long term loans - secured	-	-	2,391,161,495	2,391,161,495	-	-	-
Long term musharaka - secured	-	-	23,811,902	23,811,902	-	-	-
Short term borrowings	-	-	368,332,651	368,332,651	-	-	-
Accrued mark-up	-	-	33,633,993	33,633,993	-	-	-
	-	-	3,841,379,904	3,841,379,904	-	-	-
----- Rupees -----							
30 June 2024 (Audited)							
<i>Financial assets at fair value</i>							
Short term investments	39,012,771	-	-	39,012,771	39,012,771	-	-
<i>Financial assets at amortized cost</i>							
Long term deposits	-	7,827,000	-	7,827,000	-	-	-
Trade debts - considered good	-	204,611,049	-	204,611,049	-	-	-
Deposits and other receivables	-	147,576,359	-	147,576,359	-	-	-
Cash and bank balances	-	278,769,852	-	278,769,852	-	-	-
	-	638,784,260	-	638,784,260	-	-	-
<i>Financial liabilities measured at fair value</i>							
	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value</i>							
Trade and other payables	-	-	550,618,099	550,618,099	-	-	-
Long term loan - secured	-	-	2,441,615,011	2,441,615,011	-	-	-
Short term borrowings	-	-	328,698,729	328,698,729	-	-	-
Accrued mark-up	-	-	33,664,334	33,664,334	-	-	-
	-	-	3,354,596,173	3,354,596,173	-	-	-

16 Subsequent event

Subsequent to the period end, the general subscription relating to Initial Public Offering has been held on 02 and 03 October 2024 and shares relating to book building and general subscription were credited in respective shareholders' accounts post 30 September 2024. Furthermore, the trading in shares was also commenced from 21 October 2024 after holding of Gong Ceremony by the Pakistan Stock Exchange.

17 Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 27 October 2024.

Chief Executive Officer

Chief Financial Officer

Director

