



**FEROZSONS**  
LABORATORIES LIMITED



**PEOPLE  
TRUST  
US**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE PERIOD ENDED  
30 SEPTEMBER 2023**



35 YEARS  
OF TRUST & DEVOTION

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

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mrs. Akhter Khalid Waheed	Non-Executive Director	Chairperson
Mr. Osman Khalid Waheed	Executive Director	Chief Executive Officer
Mrs. Amna Piracha Khan	Non-Executive Director	
Mrs. Munize Azhar Peracha	Non-Executive Director	
Mr. Shahid Anwar	Non-Executive Director	
Mr. Arshad Saeed Husain	Independent Director	
Mr. Suleman Ghani	Independent Director	

## AUDIT COMMITTEE

Mr. Arshad Saeed Husain	Chairman
Mrs. Amna Piracha Khan	Member
Mr. Shahid Anwar	Member
Mr. Suleman Ghani	Member

## INVESTMENT COMMITTEE

Mr. Suleman Ghani	Chairman
Mr. Osman Khalid Waheed	Member
Mr. Shahid Anwar	Member

## HR & REMUNERATION COMMITTEE

Mr. Arshad Saeed Husain	Chairman
Mr. Osman Khalid Waheed	Member
Mrs. Munize Azhar Peracha	Member
Mr. Shahid Anwar	Member

## COMPANY SECRETARY

Syed Ghausuddin Saif

## LEGAL ADVISORS

Khan & Piracha

## REGISTERED OFFICE

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Farhan Rafiq

## SHARE REGISTRAR

CorpTec Associates (Pvt.) Limited  
503-E, Johar Town, Lahore, Pakistan  
Telephone: +92-42-35170336-37  
Fax: +92-42-35170338

## HEAD OF INTERNAL AUDIT

Mr. Rizwan Hameed Butt

## FACTORY

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

## 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

## EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.  
Chartered Accountants

## 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  
Bank of Punjab

## SALES OFFICE, LAHORE

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

# DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023

We are pleased to present a brief review of the Company's un-audited Standalone and Consolidated condensed interim financial information for the three months ended 30 September 2023. The consolidated condensed interim financial information incorporates the Company's 98% owned venture Farmacia and 80% owned subsidiary BF Biosciences Limited.

## Highlights of the Company's Individual and Consolidated Financial Results

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

Individual		Consolidated	
3 Months 30-Sep-23	3 Months 30-Sep-22	3 Months 30-Sep-23	3 Months 30-Sep-22

(Rupees in thousands)

Revenue - net	<b>3,622,967</b>	2,286,495	<b>4,428,541</b>	2,566,997
Gross profit	<b>1,337,294</b>	993,678	<b>1,719,347</b>	1,077,072
Profit before tax	<b>303,628</b>	157,094	<b>466,213</b>	190,026
Taxation	<b>(123,112)</b>	(52,176)	<b>(184,745)</b>	(79,674)
Profit after tax	<b>180,516</b>	104,918	<b>281,469</b>	132,194

## Review of Ferozsons Laboratories Limited:

The Company's consolidated net sales closed at Rs. 4,429 million, depicting a growth of 73% over the same period last year. On a standalone basis, the Company's net sales closed at Rs. 3,623 million, representing a growth of 58% over the same period last year.

In-market generic sales have witnessed a growth of 24%, whereas institutional sales of generics and medical devices increased by 159%.

Due to significant increase in institutional sales, trade debts have been increased by 115% since the payment terms with government institutions are longer compared to street distributors. These trade debts are good in nature and the Company anticipates timely receipt of these payments in the coming quarters.

The Company's Gross Profit (GP) margin currently stands at 37% compared to 43% during the same period last year. The decrease in GP margin primarily reflects change in sales mix and increased input costs of products resulting from significant devaluation of Pakistani Rupee.

Selling and distribution expenses increased by 39%. Although in line with increase in topline, this increase is primarily due to higher field activities, salary increments, and inflationary impact.

Other expenses decreased by 83%, primarily due to exchange loss booked in the previous year.

Finance costs increased by 291%, which is mainly attributable to the State Bank of Pakistan's policy rate increase, coupled with higher utilization of working capital facilities during the period under review compared to last year.

# DIRECTORS' REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023

Net profit after tax closed at Rs. 181 million for the three months ended 30 September 2023, depicting a growth of 72% compared to the same period last year. Based on the net profit after tax for the three months ended 30 September 2023, the earnings per share (EPS) stands at Rs. 4.15 compared to Rs. 2.41 in same period last year.

## Review of BF Biosciences Limited (Subsidiary Company):

The net sales of the subsidiary, BF Biosciences Limited closed at Rs. 965 million, compared to Rs. 347 million last year.

As previously communicated in our directors' report, the installation of prefilled syringes line has been completed, and we are now awaiting inspection from the Drug Regulatory Authority of Pakistan (DRAP). Once approved by DRAP, we are ready to initiate commercial operations for this line.

Commissioning of the combi-filling line and lyophilizer is in its final stages and we are confident that commercial operations will commence in the first quarter of the calendar year 2024, InshaAllah.

In parallel, our regulatory and product development teams are filing dossiers for new products to DRAP for registration under the priority registration scheme for new investments.

## Future Outlook

Despite the uncertainty in macro-economic landscape, the management remains confident that growth momentum in topline will continue in the upcoming quarters. Further, the management is closely monitoring the situation and formulating emergent strategies to ensure sustainable growth.

## Acknowledgments

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

## For and on behalf of the Board of Directors

**Mr. Osman Khalid Waheed**  
Chief Executive Officer

**Mrs. Akhter Khalid Waheed**  
Chairperson

دیگر اخراجات میں 83 فیصد کمی واقع ہوئی ہے، بنیادی طور پر پچھلے سال ریکارڈ کیے گئے ایکسیج نقصان کی وجہ سے ہے۔

مالیاتی لاگت میں 291 فیصد اضافہ ہوا، جس کی بنیادی وجہ اسٹیٹ بینک آف پاکستان کی پالیسی ریٹ میں اضافہ ہے، اور گزشتہ سال کے مقابلے میں زیر جائزہ مدت کے دوران ورکنگ کیسٹیبل کی سہولیات کے زیادہ استعمال کی وجہ سے ہے۔

30 ستمبر 2023 کو اختتام پذیر ہونے والے تین مہینوں کے لیے بعد از ٹیکس خالص منافع 181 ملین روپے پر بند ہوا جو پچھلے سال کی اسی مدت کے مقابلے میں 72% اضافے کو ظاہر کرتا ہے۔ 30 ستمبر 2023 کو اختتام پذیر ہونے والے تین مہینوں کے بعد از ٹیکس کے خالص منافع کی بنیاد پر فی شیئر آمدنی (EPS)، گزشتہ سال کی اسی مدت میں 2.41 روپے کے مقابلے میں، 4.15 روپے پر کھڑی ہے۔

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

ذیلی کمپنی، BF بائیو سائنسز لمیٹڈ کی خالص فروخت پچھلے سال 347 ملین روپے کے مقابلے میں 965 ملین روپے پر بند ہوئی۔

جیسا کہ پہلے ہمارے ڈائریکٹرز کی رپورٹ میں بتایا گیا تھا، پہلے سے بھری ہوئی سرنجوں کی لائن کی تنصیب مکمل ہو چکی ہے، اور اب ہم ڈرگ ریگولیشن اتھارٹی آف پاکستان (DRAP) سے معائنے کا انتظار کر رہے ہیں۔ منظوری کے بعد، ہم پہلے سے بھری ہوئی سرنجوں کی مصنوعات کی لائن کے لیے تجارتی کارروائیاں شروع کریں گے۔

کو مبی فلنگ لائن اور لائسنسز کا کام آخری مراحل میں ہے اور ہمیں یقین ہے کہ کیلنڈر سال 2024 کی پہلی سہ ماہی میں کمرشل آپریشن شروع ہو جائیں گے، انشاء اللہ۔

متوازی طور پر، ہماری ریگولیشن اور پروڈکٹ ڈیولپمنٹ ٹیمیں نئی پروڈکٹس کے لیے DRAP کو نئی سرمایہ کاری کے لیے ترجیحی رجسٹریشن اسکیم کے تحت رجسٹریشن کے لیے ڈویزیوں فائل کر رہی ہیں۔

## مستقبل کا نقطہ نظر

میکرو اکنامک منظر نامے میں غیر یقینی صورتحال کے باوجود، انتظامیہ کو یقین ہے کہ ٹاپ لائن میں ترقی کی رفتار آئندہ سہ ماہیوں میں جاری رہے گی۔ مزید برآں، انتظامیہ صورتحال پر گہری نظر رکھے ہوئے ہے اور پائیدار ترقی کو یقینی بنانے کے لیے ہنگامی حکمت عملی ترتیب دے رہی ہے۔

## اظہار تشکر

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

## بورڈ آف ڈائریکٹرز کی جانب سے

مسز اختر خالد وحید

چیئر پرسن

جناب عثمان خالد وحید

چیف ایگزیکٹو آفیسر



## 30 ستمبر 2023 کو اختتام پذیر ہونے والے تین ماہ کی مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات کے بارے میں ڈائریکٹرز کا جائزہ

ہم 30 ستمبر 2023 کو اختتام پذیر ہونے والے تین ماہ کے لیے کمپنی کی غیر آڈٹ شدہ انفرادی اور مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات کا ایک مختصر جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ مجموعی (کنڈینسڈ) عبوری مالیاتی معلومات میں کمپنی کے 98% ملکیتی منصوبے فارمیسیا (Farmacia) اور 80% ملکیتی ذیلی کمپنی BF باپو سائنسز لمیٹڈ کو شامل کیا گیا ہے۔

### کمپنی کے انفرادی اور مجموعی مالیاتی نتائج کی جھلکیاں:

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

اجتماعی		انفرادی		
3 مہینے	3 مہینے	3 مہینے	3 مہینے	
2022-30 ستمبر	2023-30 ستمبر	2022-30 ستمبر	2023-30 ستمبر	
(روپے ہزار میں)				
2,566,997	4,428,541	2,286,495	3,622,967	آمدنی - خالص
1,077,072	1,719,347	993,678	1,337,294	مجموعی منافع
190,026	466,213	157,094	303,628	قبل از ٹیکس منافع
(57,832)	(184,745)	(52,176)	(123,112)	ٹیکسیشن (Taxation)
132,194	281,469	104,918	180,516	بعد از ٹیکس منافع

### فیروز سنز لیبارٹریز لمیٹڈ کا مالیاتی اور آپریشنل جائزہ:

کمپنی کی مجموعی خالص فروخت 4,429 ملین روپے پر بند ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 73% کی نمو کو ظاہر کرتی ہے۔ انفرادی طور پر، کمپنی کی خالص فروخت 3,623 ملین روپے پر بند ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 58% فیصد اضافے کی عکاسی کرتی ہے۔

بازار میں عام فروخت میں 24 فیصد اضافہ دیکھا گیا ہے، جب کہ عام ادویات اور طبی آلات کی ادارہ جاتی فروخت میں 159 فیصد اضافہ ہوا ہے۔

ادارہ جاتی فروخت میں نمایاں اضافے کی وجہ سے، تجارتی قرضوں میں 115 فیصد اضافہ ہوا ہے کیونکہ سرکاری اداروں کے ساتھ ادائیگی کی شرائط عوامی تقسیم کاروں کے مقابلے میں طویل ہیں۔ یہ تجارتی قرضے اچھے ہیں اور کمپنی آنے والی سہ ماہیوں میں ان ادائیگیوں کی بروقت وصولی کی توقع رکھتی ہے۔

کمپنی کا مجموعی منافع (GP) مارجن 37% ہے جو پچھلے سال کی اسی مدت میں 43% تھا۔ GP مارجن میں کمی بنیادی طور پر سیلز کس میں تبدیلی اور پاکستانی روپے کی قدر میں نمایاں کمی کی وجہ سے مصنوعات کی لاگت میں اضافے کی عکاسی کرتی ہے۔

فروخت اور تقسیم کے اخراجات میں 39 فیصد اضافہ ہوا۔ اگرچہ ٹاپ لائن میں اضافے کے مطابق، یہ اضافہ بنیادی طور پر اعلیٰ فیڈ سٹریٹجیوں، تنخواہوں میں اضافے، اور افراط زر کے اثرات کی وجہ سے ہے۔





# OUR FINANCIAL STATEMENTS



# Ferozsons Laboratories Limited

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

For the period ended 30 September 2023

	Note	First Quarter ended	
		30 September 2023	30 September 2022
		----- Rupees -----	
Revenue - net	10	3,622,967,251	2,286,494,656
Cost of sales	11	(2,285,673,006)	(1,292,816,834)
<b>Gross profit</b>		<b>1,337,294,245</b>	<b>993,677,822</b>
Administrative expenses		(191,126,841)	(152,262,244)
Selling and distribution expenses		(781,145,523)	(560,879,547)
Other expenses		(25,797,280)	(147,687,629)
Other income		44,070,494	44,622,436
<b>Profit from operations</b>		<b>383,295,095</b>	<b>177,470,838</b>
Finance cost		(79,667,259)	(20,377,337)
<b>Profit before taxation</b>		<b>303,627,836</b>	<b>157,093,501</b>
Taxation		(123,111,872)	(52,175,930)
<b>Profit after taxation</b>		<b>180,515,964</b>	<b>104,917,571</b>
Earnings per share - basic and diluted		<b>4.15</b>	<b>2.41</b>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



# Ferozsons Laboratories Limited

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

For the period ended 30 September 2023

	<b>First Quarter ended</b>	
	<b>30 September 2023</b>	30 September 2022
	<b>----- Rupees -----</b>	
<b>Profit after taxation</b>	<b>180,515,964</b>	104,917,571
<i>Items that will not be reclassified to profit or loss:</i>		
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b><u>180,515,964</u></b>	<u>104,917,571</u>

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**Ferozsons Laboratories Limited**  
**Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)**  
*For the period ended 30 September 2023*

	Capital reserve		Revenue reserve		Total
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profit	
			-----	-----	-----
			-----	-----	-----
Balance as at 01 July 2022	362,242,100	321,843	1,032,733,321	4,908,885,731	6,304,182,995
Total comprehensive income for the period	-	-	-	104,917,571	104,917,571
<b><u>Surplus transferred to accumulated profit</u></b>					
- On account of incremental depreciation charged during the period - net of tax	-	-	(10,092,287)	10,092,287	-
<b><u>Transactions with owners of the Company, recognized directly in Equity - Distributions</u></b>					
- Final dividend for the year ended 30 June 2022 at Rs. 5 per share	72,448,420	-	-	(181,121,050)	(181,121,050)
- Issuance of bonus shares at 20%	72,448,420	-	-	(72,448,420)	-
				(253,569,470)	(181,121,050)
Balance as at 30 September 2022 - unaudited	434,690,520	321,843	1,022,641,034	4,770,326,119	6,227,979,516
<b>Balance as at 01 July 2023</b>	<b>434,690,520</b>	<b>321,843</b>	<b>968,377,365</b>	<b>4,881,302,916</b>	<b>6,284,692,644</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,515,964</b>	<b>180,515,964</b>
<b><u>Surplus transferred to accumulated profit</u></b>					
- on account of incremental depreciation charged during the period - net of tax	-	-	(9,022,938)	9,022,938	-
<b>Balance as at 30 September 2023 - unaudited</b>	<b>434,690,520</b>	<b>321,843</b>	<b>959,354,427</b>	<b>5,070,841,818</b>	<b>6,465,208,608</b>

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited  
Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)  
For the period ended 30 September 2023

	First Quarter ended	
	30 September 2023	30 September 2022
----- Rupees -----		
<b><u>Cash flow from operating activities</u></b>		
Profit before taxation	303,627,836	157,093,501
<i>Adjustments for non - cash and other items</i>		
Depreciation on property, plant and equipment	100,626,933	90,529,788
Amortisation of intangible assets	100,131	141,132
Gain on disposal of property, plant and equipment	(6,746,906)	(8,126,248)
Finance cost	79,667,259	20,377,337
Gain on re-measurement of short term investments to fair value	(17,511,332)	(11,076,367)
Dividend income	(1,051,867)	(14,527,943)
Profit on bank deposits	(609,446)	(326,765)
Share in profit of Farmacia	(1,170,391)	(6,311,736)
Workers' Profit Participation Fund	16,306,543	8,466,877
Central Research Fund	3,294,250	1,710,479
Workers' Welfare Fund	6,196,486	3,777,172
	<b>179,101,660</b>	<b>84,633,726</b>
<b>Cash generated from operations before working capital changes</b>	<b>482,729,496</b>	<b>241,727,227</b>
<b><u>Effect on cash flow due to working capital changes</u></b>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(3,795,409)	(2,686,704)
Stock in trade	92,965,651	228,058,187
Trade debts - considered good	(1,150,131,172)	(52,266,788)
Loans and advances - considered good	(67,132,767)	(24,051,977)
Deposits and prepayments	(23,618,562)	(31,988,721)
Other receivables	27,644,931	(51,819)
	<b>(1,124,067,328)</b>	<b>117,012,178</b>
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	487,174,339	(102,724,971)
Contract liabilities	66,550,590	(25,229,141)
	<b>(87,612,903)</b>	<b>230,785,293</b>
<b>Cash (used in) / generated from operations</b>	<b>(87,612,903)</b>	<b>230,785,293</b>
Taxes paid	(52,892,417)	(65,112,345)
Workers' Profit Participation Fund paid	-	(10,268,358)
<b>Net cash (used in) / generated from operating activities</b>	<b>(140,505,320)</b>	<b>155,404,590</b>
<b><u>Cash flow from investing activities</u></b>		
Fixed capital expenditure incurred	(58,881,791)	(119,737,026)
Proceeds from sale of property, plant and equipment	8,986,172	13,940,774
Profit on bank deposits received	609,446	326,766
Short term investments - net	201,551	2,213,121
<b>Net cash used in investing activities</b>	<b>(49,084,622)</b>	<b>(103,256,365)</b>
<b><u>Cash flow from financing activities</u></b>		
Long term loan paid	(8,555,603)	(42,750,000)
Finance cost paid	(46,843,047)	(19,859,114)
Dividend paid	-	(192,697)
<b>Net cash used in financing activities</b>	<b>(55,398,650)</b>	<b>(62,801,811)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(244,988,592)</b>	<b>(10,653,586)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(517,542,117)</b>	<b>(163,062,882)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(762,530,709)</b>	<b>(173,716,468)</b>
<i>Cash and cash equivalents comprise of the following</i>		
Cash and bank balances	296,430,769	170,216,015
Running finance	(1,058,961,478)	(343,932,483)
	<b>(762,530,709)</b>	<b>(173,716,468)</b>

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

Chief Executive Officer

Chief Financial Officer

Director

# Ferozsons Laboratories Limited

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

For the period ended 30 September 2023

### 1 Reporting entity

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

### 2 Basis of preparation

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Basis of accounting

2.2.1 These condensed interim unconsolidated financial statements comprises the condensed interim unconsolidated statement of financial position of the Company as at 30 September 2023 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 2023. 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 2023, whereas comparative unconsolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from unaudited condensed interim unconsolidated financial statements of the Company for the three months period ended 30 September 2022.

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

## 2.3 Judgements and estimates

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the unconsolidated financial statements as at and for the year ended 30 June 2023.

## 2.4 Statement of consistency in accounting policies

2.4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2023.

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 2023	Audited 30 June 2023	Un-audited 30 September 2023	Audited 30 June 2023
	(Number of shares)		(Rupees)	
<b><u>Authorised share capital</u></b>				
Ordinary shares of Rs. 10 each	<b>150,000,000</b>	50,000,000	<b>1,500,000,000</b>	500,000,000
<b><u>Issued, subscribed and paid-up share capital</u></b>				
Voting ordinary shares of Rs. 10 each fully paid up in cash	<b>1,441,952</b>	1,441,952	<b>14,419,520</b>	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	<b>119,600</b>	119,600	<b>1,196,000</b>	1,196,000
Voting ordinary shares of Rs. 10 each issued as bonus shares	<b>41,907,500</b>	41,907,500	<b>419,075,000</b>	419,075,000
	<b>43,469,052</b>	43,469,052	<b>434,690,520</b>	434,690,520

KFW Factors (Private) Limited, an associated company holds 11,933,194 (30 June 2023: 11,933,194) ordinary shares of Rs. 10 each of the Company, representing 27.45% (30 June 2023: 27.45%) of the equity held.

## 4 Short term borrowings - secured

All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual audited financial statements of the Company for the year ended 30 June 2023.

## 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 2023.



		Un-audited 30 September 2023	Audited 30 June 2023
		-----Rupees-----	
<b>6</b>	<b>Property, plant and equipment</b>		
		<i>Note</i>	
	Operating fixed assets	6.1	3,135,632,143
	Capital work-in-progress		3,233,525,181
			276,160,294
			<u>3,465,701,067</u>
			<u>3,509,685,475</u>
<b>6.1</b>	<b>Operating fixed assets</b>		
	<u>Cost</u>		
	Opening balance at beginning of the period / year		4,452,061,683
	Additions / transfers during the period / year		4,031,066,603
	Disposals during the period / year		489,901,796
	Closing balance at end of the period / year		<u>(18,594,188)</u>
			<u>4,438,440,656</u>
	<u>Less: Accumulated depreciation</u>		
	Opening balance at beginning of the period / year		1,218,536,502
	Depreciation for the period / year		894,007,859
	On disposals		100,626,933
	Closing balance at end of the period / year		<u>(16,354,922)</u>
	<b>Operating fixed assets - net book value</b>		<u>1,302,808,513</u>
			<u>1,218,536,502</u>
			<u>3,135,632,143</u>
			<u>3,233,525,181</u>
<b>7</b>	<b>Long term investments - related parties</b>		
	<u>Related parties - at cost</u>		
	<i>Farmacía (Partnership firm):</i>		
	Capital held: 98% (30 June 2023: 98%)	7.1	241,482,935
	Managing Partner - Osman Khalid Waheed		240,312,544
	<i>BF Biosciences Limited (unlisted subsidiary):</i>		
	15,199,996 (30 June 2023: 15,199,996) fully paid		
	ordinary shares of Rs. 10 each	7.2	151,999,960
	Equity held: 80% (30 June 2023: 80%)		151,999,960
	Chief Executive Officer - Mrs. Akhter Khalid Waheed		
			<u>393,482,895</u>
			<u>392,312,504</u>
<b>7.1</b>	This represents the Company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail pharmacy.		
<b>7.2</b>	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 2023: 80%) of equity of the subsidiary and the remaining 20% is held by Group Empresarial Bagó S.A., Spain.		

		Un-audited 30 September 2023	Audited 30 June 2023
		----- Rupees -----	
<b>8 Short term investments</b>	<i>Note</i>		
<b><u>Investments at fair value through profit or loss</u></b>			
Mutual fund	<i>8.1</i>	<b>380,758,230</b>	<b>362,396,582</b>
<b>8.1</b> These investments are measured at 'fair value through Profit or Loss'			
Fair value at 01 July		<b>362,396,582</b>	695,089,997
Dividend re-invested / (redemption) during the period / year - <i>net</i>		<b>850,316</b>	(334,258,355)
Realized gain on sale of investments during the period / year		-	34,897
Unrealized gain on re-measurement of investment during the period / year		<b>17,511,332</b>	1,530,043
Fair value at 30 September / 30 June	<i>8.1.1</i>	<b>380,758,230</b>	<b>362,396,582</b>

**8.1.1** Mutual fund wise detail is as follows:

	Units		Fair value	
	Un-audited 30 September 2023	Audited 30 June 2023	Un-audited 30 September 2023	Audited 30 June 2023
	.....Number.....		.....Rupees.....	
HBL Money Market Fund	<b>3,286,641</b>	3,286,601	<b>356,546,678</b>	339,186,410
MCB Cash Management Optimizer Fund	<b>10,868</b>	10,939	<b>1,109,863</b>	1,109,863
HBL Cash Fund	<b>220,574</b>	212,407	<b>22,684,500</b>	21,700,510
Pakistan Cash Management Fund	<b>8,266</b>	7,922	<b>417,189</b>	399,799
			<b>380,758,230</b>	<b>362,396,582</b>

**8.2** The investments amounting to Rs. 333.33 million (30 June 2023: Rs. 333.33 million) are marked under lien against short term borrowing facilities availed by the Company. Further, the gain earned from these investments is under non shariah compliant arrangement.

## 9 Cash and bank balances

**9.1** These include current account of Rs. 0.0024 million (30 June 2023: Rs. 0.0024 million) maintained under Shariah compliant arrangements.

**9.2** These include deposit accounts of Rs. 14.30 million (30 June 2023: Rs. 12.12 million) under mark up arrangements, which carry interest rates ranging from 12.25% - 19.51% (30 June 2023: 12.25% - 19.51%) per annum.

These also include deposit account of Rs. 0.207 million (30 June 2023: Rs. 0.203 million ) under Shariah compliant arrangements, which carries profit rates ranging from 6.50% - 10.00% (30 June 2023: 6.50% - 10.00%) per annum.

## 10 Revenue - net

### Gross sales:

	(Un-audited) First Quarter ended	
	30 September 2023	30 September 2022
----- Rupees -----		
Local	<b>3,826,854,433</b>	2,324,800,538
Export	<b>206,489,051</b>	202,638,784
	<b>4,033,343,484</b>	2,527,439,322

### Less:

Sales returns	<b>(325,338,293)</b>	(57,738,678)
Discounts	<b>(61,374,411)</b>	(166,277,996)
Sales tax	<b>(23,663,529)</b>	(16,927,992)
	<b>(410,376,233)</b>	(240,944,666)
	<b>3,622,967,251</b>	2,286,494,656

**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.

		<b>(Un-audited) First Quarter ended</b>	
		<b>30 September</b>	<b>30 September</b>
		<b>2023</b>	<b>2022</b>
		<b>----- Rupees -----</b>	
<b>11</b>	<b>Cost of sales</b>		
			<i>Note</i>
	Raw and packing materials consumed	<b>1,124,729,715</b>	629,034,543
	Other manufacturing expenses	<b>350,919,749</b>	266,929,198
		<b>1,475,649,464</b>	895,963,741
	<i>Work in process:</i>		
	Opening	<b>157,743,377</b>	155,665,588
	Closing	<b>(277,148,871)</b>	(316,771,516)
		<b>(119,405,494)</b>	(161,105,928)
	<b><i>Cost of goods manufactured</i></b>	<b>1,356,243,970</b>	734,857,813
	<i>Finished stock:</i>		
	Opening	<b>1,184,462,133</b>	1,431,320,397
	Purchases made during the period	<b>1,922,528,899</b>	413,397,821
	Closing	<b>(2,177,561,996)</b>	(1,286,759,197)
		<b>929,429,036</b>	557,959,021
		<b>2,285,673,006</b>	1,292,816,834
	<b>11.1 Raw and packing materials consumed</b>		
	Opening	<b>1,400,272,609</b>	876,498,555
	Purchases made during the period	<b>819,258,708</b>	609,533,231
		<b>2,219,531,317</b>	1,486,031,786
	Closing	<b>(1,094,801,602)</b>	(856,997,243)
		<b>1,124,729,715</b>	629,034,543

## 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:

	<b>(Un-audited) First Quarter ended</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>
----- Rupees -----		
<b><u>Farmacia - 98% owned subsidiary partnership firm</u></b>		
Sale of medicines	<b>53,613,771</b>	22,117,805
Payment received against sale of finished goods	<b>53,613,771</b>	22,117,805
Share of profit reinvested	<b>1,170,391</b>	6,311,736
Rentals paid	<b>1,553,520</b>	14,122,292
<b><u>BF Biosciences Limited - 80% owned subsidiary company</u></b>		
Sale of finished goods	<b>204,563,484</b>	104,805,648
Payment received against sale of finished goods	<b>204,563,484</b>	104,805,648
Purchase of goods	-	9,869,797
Payment made against purchase of goods	-	9,869,797
Expenses incurred - <i>net</i>	<b>18,216,098</b>	1,763,791
Payment made against expenses incurred - <i>net</i>	<b>18,216,098</b>	1,763,791
<b><u>Other related parties</u></b>		
Contribution towards employees' provident fund	<b>17,479,767</b>	15,631,750
Remuneration including benefits and perquisites of key management personnel	<b>28,437,443</b>	21,559,238
Fee paid to M/s Khan and Piracha against consultancy	-	455,000
Meeting fee paid to Directors	<b>80,000</b>	150,000
Rent paid to Director against office	<b>1,449,459</b>	1,317,690

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

	30 September 2023 (Un-audited)			30 September 2022 (Un-audited)				
	Unclaimed dividend	Accrued mark-up	Long term loan	Total	Unclaimed dividend	Accrued mark-up	Long term loan	Total
<b>Balance as at 01 July</b>	97,332,707	42,140,456	128,925,926	268,399,089	91,693,095	18,789,481	85,500,000	195,982,576
<b>----- Rupees -----</b>								
<b><u>Changes from financing cash flows</u></b>								
Dividend paid	-	-	-	-	(192,697)	-	-	(192,697)
Repayment of long term loan	-	-	(8,555,603)	(8,555,603)	-	-	(42,750,000)	(42,750,000)
Finance cost paid	-	(46,843,047)	-	(46,843,047)	-	(19,859,114)	-	(19,859,114)
<b>Total changes from financing cash flows</b>	-	<b>(46,843,047)</b>	<b>(8,555,603)</b>	<b>(55,398,650)</b>	<b>(192,697)</b>	<b>(19,859,114)</b>	<b>(42,750,000)</b>	<b>(62,801,811)</b>
<b><u>Non-cash changes</u></b>								
Dividend approved	-	-	-	-	181,121,050	-	-	181,121,050
Interest / markup expense	-	79,667,259	-	79,667,259	-	20,377,337	-	20,377,337
<b>Total non-cash changes</b>	-	<b>79,667,259</b>	-	<b>79,667,259</b>	<b>181,121,050</b>	<b>20,377,337</b>	-	<b>201,498,387</b>
<b>Balance as at 30 September</b>	<b>97,332,707</b>	<b>74,964,668</b>	<b>120,370,323</b>	<b>292,667,698</b>	<b>272,621,448</b>	<b>19,307,704</b>	<b>42,750,000</b>	<b>334,679,152</b>



#### 14 Financial risk management and fair value of financial instruments

**14.1** The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2023.

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

	Carrying Amount				Fair Value		
	Fair value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
<b>30 September 2023 (Un-audited)</b>							
Financial assets measured at fair value:	380,758,230	-	-	380,758,230	380,758,230	-	-
<b>Financial assets not measured at fair value</b>							
Long term deposits	-	9,717,325	-	9,717,325	-	-	-
Trade debts	-	2,150,157,458	-	2,150,157,458	-	-	-
Loans and advances	-	41,555,606	-	41,555,606	-	-	-
Deposits and prepayments	-	157,793,791	-	157,793,791	-	-	-
Other receivables	-	4,245,537	-	4,245,537	-	-	-
Cash and bank balances	-	296,430,769	-	296,430,769	-	-	-
	-	2,659,900,486	-	2,659,900,486	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	-	-	3,312,373,815	3,312,373,815	-	-	-
Unclaimed dividend	-	-	97,332,707	97,332,707	-	-	-
Long term loans - secured	-	-	83,427,771	83,427,771	-	-	-
Short term borrowings - secured	-	-	1,058,961,478	1,058,961,478	-	-	-
Accrued mark-up	-	-	74,964,668	74,964,668	-	-	-
	-	-	4,627,060,439	4,627,060,439	-	-	-

	Carrying Amount				Fair Value		
	Fair value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	362,396,582	-	-	362,396,582	362,396,582	-	-
----- Rupees -----							
Long term deposits	-	9,717,325	-	9,717,325	-	-	-
Trade debts	-	1,000,026,286	-	1,000,026,286	-	-	-
Loans and advances	-	1,879,505	-	1,879,505	-	-	-
Deposits and prepayments	-	133,208,924	-	133,208,924	-	-	-
Other receivables	-	21,084,011	-	21,084,011	-	-	-
Cash and bank balances	-	269,612,088	-	269,612,088	-	-	-
	-	1,435,528,139	-	1,435,528,139	-	-	-
Financial liabilities measured at fair value:	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	2,883,271,832	2,883,271,832	-	-	-
	-	-	97,332,707	97,332,707	-	-	-
	-	-	91,983,374	91,983,374	-	-	-
	-	-	787,154,205	787,154,205	-	-	-
	-	-	42,140,456	42,140,456	-	-	-
	-	-	3,901,882,574	3,901,882,574	-	-	-

### **30 June 2023 (Audited)**

Financial assets measured at fair value:

#### **Financial assets not measured at fair value**

Long term deposits

Trade debts

Loans and advances

Deposits and prepayments

Other receivables

Cash and bank balances

Financial liabilities measured at fair value:

#### **Financial liabilities not measured at fair value**

Trade and other payables

Unclaimed dividend

Long term loans - secured

Short term borrowings - secured

Accrued mark-up

**15 Subsequent event and date of authorization for issue**

The Board of Directors of the Company in its meeting held on 28 October 2023 has authorized to issue these condensed interim unconsolidated financial statements.

**16 Corresponding figures**

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

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**Chief Executive Officer**

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**Chief Financial Officer**

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**Director**





# CONSOLIDATED FINANCIAL STATEMENTS

**Ferozsons Laboratories Limited**  
Condensed Interim Consolidated Statement of Financial Position  
*As at 30 September 2023*

	Un-audited 30 September 2023	Audited 30 June 2023	Note	Rupees
<b>EQUITY AND LIABILITIES</b>				
<u>Share capital and reserves</u>				
Authorized share capital	1,500,000,000	500,000,000		
150,000,000 (30 June 2023: 50,000,000) ordinary shares of Rs. 10 each				
Issued, subscribed and paid up capital	434,690,520	434,690,520		
Capital reserve	321,843	321,843		
Revaluation surplus on property, plant and equipment	1,177,011,937	1,193,114,683		
Accumulated profits	6,569,187,222	6,289,984,422		
<b>Equity attributable to owners of the Company</b>	<b>8,181,211,522</b>	<b>7,918,111,468</b>		
<b>Non-controlling interests</b>	<b>463,822,189</b>	<b>445,453,599</b>		
	<b>8,645,033,711</b>	<b>8,363,565,067</b>		
<u>Non current liabilities</u>				
Long term loans - secured	1,779,753,016	1,841,432,244	4	
Deferred grant	529,780,057	531,879,342		
Deferred taxation	364,132,276	375,359,287		
	<b>2,673,665,349</b>	<b>2,748,670,873</b>		
<u>Current liabilities</u>				
Trade and other payables	4,142,409,075	3,415,513,951		
Current portion of long term liabilities	524,804,427	518,586,797		
Contract liabilities	193,364,719	113,246,014		
Short term borrowings - secured	1,309,658,927	1,260,543,747	5	
Unclaimed dividend	97,332,707	97,332,707		
Accrued mark-up	113,423,306	85,967,950		
	<b>6,380,993,161</b>	<b>5,491,191,166</b>		
<b>Contingencies and commitments</b>	<b>17,699,692,221</b>	<b>16,603,427,106</b>	6	
	<b>17,699,692,221</b>	<b>16,603,427,106</b>		
<b>ASSETS</b>				
<u>Non-current assets</u>				
Property, plant and equipment	7,935,750,740	7,975,253,846	7	
Intangible assets	1,314,181	1,552,673		
Investment property	79,371,992	79,371,992		
Long term deposits	17,544,325	14,544,325		
	<b>8,033,981,238</b>	<b>8,070,722,836</b>		
<u>Current assets</u>				
Stores, spare parts and loose tools	151,465,126	138,574,590		
Stock in trade	5,061,861,832	5,057,360,063		
Trade debts	2,298,596,312	1,122,799,641		
Loans and advances - considered good	186,543,349	107,787,434		
Deposits and prepayments	251,161,950	179,288,362		
Other receivables - considered good	230,078,285	259,895,721		
Advance income tax - net	418,339,841	552,983,901	8	
Short term investments	492,849,699	544,965,655	9	
Cash and bank balances	574,814,589	569,048,903		
	<b>9,665,710,983</b>	<b>8,532,704,270</b>		

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

Chief Executive Officer

Chief Financial Officer

Director

# Ferozsons Laboratories Limited

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

For the period ended 30 September 2023

	Note	First Quarter ended	
		30 September 2023	30 September 2022
----- Rupees -----			
Revenue - net	10	4,428,541,177	2,566,996,821
Cost of sales	11	(2,709,194,520)	(1,489,924,570)
<b>Gross profit</b>		<b>1,719,346,657</b>	<b>1,077,072,251</b>
Administrative expenses		(204,410,993)	(171,584,475)
Selling and distribution expenses		(964,464,329)	(611,189,254)
Other expenses		(40,189,050)	(144,245,078)
Other income		77,003,910	74,642,779
<b>Profit from operations</b>		<b>587,286,195</b>	<b>224,696,223</b>
Finance cost		(121,072,697)	(34,670,058)
<b>Profit before taxation</b>		<b>466,213,498</b>	<b>190,026,165</b>
Taxation		(184,744,854)	(57,831,868)
<b>Profit after taxation</b>		<b>281,468,644</b>	<b>132,194,297</b>
<i>Attributable to:</i>			
Owners of the Group		263,100,054	126,334,743
Non-controlling interests		18,368,590	5,859,554
<b>Profit after taxation</b>		<b>281,468,644</b>	<b>132,194,297</b>
Earnings per share - <i>basic and diluted</i>		<b>6.05</b>	<b>2.91</b>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



# Ferozsons Laboratories Limited

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

For the period ended 30 September 2023

	First Quarter ended	
	30 September 2023	30 September 2022
	----- Rupees -----	
<b>Profit after taxation</b>	<b>281,468,644</b>	132,194,297
<b><i>Items that will not be reclassified to profit or loss</i></b>		
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>281,468,644</b>	<b>132,194,297</b>
<b><i>Attributable to:</i></b>		
Owners of the Group	<b>263,100,054</b>	126,334,743
Non-controlling interests	<b>18,368,590</b>	5,859,554
	<b>281,468,644</b>	<b>132,194,297</b>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

Ferozsons Laboratories Limited  
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)  
For the period ended 30 September 2023

	Attributable to Owners of the Company					Total	Non-controlling interest	Total
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment	Accumulated profits	Revenue reserve			
	----- Rupees -----							
Balance as at 01 July 2022	362,242,100	321,843	1,304,895,242	6,100,332,603	7,767,791,788	530,676,857	8,298,468,645	
Total comprehensive income for the period	-	-	-	126,334,743	126,334,743	5,859,554	132,194,297	
<u>Surplus transferred to accumulated profit:</u> on account of incremental depreciation on property, plant and equipment charged during the period - <i>net of tax</i>	-	-	(18,035,996)	18,035,996	-	-	-	
<u>Transactions with owners of the Company, recognized directly in equity - Distributions</u> Final dividend for the year ended 30 June 2022 at Rs. 5 per share Issuance of bonus shares at 20%	-	-	-	(181,121,050)	(181,121,050)	-	(181,121,050)	
	72,448,420	-	-	(72,448,420)	-	-	-	
	72,448,420	-	-	(253,569,470)	(181,121,050)	-	(181,121,050)	
Balance as at 30 September 2022 - un-audited	434,690,520	321,843	1,286,859,246	5,991,133,872	7,713,005,481	536,536,411	8,249,541,892	
Balance as at 01 July 2023	434,690,520	321,843	1,193,114,683	6,289,984,422	7,918,111,468	445,453,599	8,363,565,067	
Total comprehensive income for the period	-	-	-	263,100,054	263,100,054	18,368,590	281,468,644	
<u>Surplus transferred to accumulated profit:</u> on account of incremental depreciation on property, plant and equipment charged during the period - <i>net of tax</i>	-	-	(16,102,746)	16,102,746	-	-	-	
Balance as at 30 September 2023 - un-audited	434,690,520	321,843	1,177,011,937	6,569,187,222	8,181,211,522	463,822,189	8,645,033,711	

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

Chief Executive Officer

Chief Financial Officer

Director

Ferozsons Laboratories Limited  
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)  
For the period ended 30 September 2023

**Cash flow from operating activities**

Profit before taxation
<i>Adjustments for non - cash and other items</i>
Depreciation on property, plant and equipment
Amortization of intangible assets
Gain on disposal of property, plant and equipment
Finance costs
Gain on re-measurement of short term investments to fair value
Gain on sale of short term investments
Dividend income
Profit on deposits with bank
Workers' Profit Participation Fund
Central Research Fund
Workers' Welfare Fund

**Cash generated from operations before working capital changes**

Effect on cash flow due to working capital changes

*(Increase) / decrease in current assets*

Stores, spare parts and loose tools
Stock in trade
Trade debts
Loans and advances - <i>considered good</i>
Deposits and prepayments
Other receivables

*Increase / (decrease) in current liabilities*

Trade and other payables
Contract liabilities

**Cash generated from operations**

Taxes paid

Workers' Profit Participation Fund paid

**Net cash generated from / (used in) operating activities**

**Cash flow from investing activities**

Acquisition of property, plant and equipment
Acquisition of intangibles
Dividend income received
Proceeds from sale of property, plant and equipment
Long term deposit - <i>net</i>
Profit on term deposits received
Short term investments - <i>net</i>
<b>Net cash generated from / (used in) investing activities</b>

**Cash flow from financing activities**

Long term loan received
Long term loan paid
Finance cost paid
Dividend paid

**Net cash (used in) / generated from financing activities**

**Net decrease in cash and cash equivalents**

**Cash and cash equivalents at the beginning of the period**

**Cash and cash equivalents at the end of the period**

**Cash and cash equivalents comprise of the following:**

Cash and bank balances
Running finance

<b>First Quarter ended</b>	
30 September 2023	30 September 2022
----- Rupees -----	
466,213,498	190,026,165
123,515,866	113,101,539
238,492	233,362
(8,492,219)	(8,149,991)
121,072,697	34,670,058
(19,537,543)	(19,958,694)
(317,789)	(5,459,552)
(9,239,759)	(39,347,539)
(1,923,848)	(1,008,253)
25,318,913	11,078,308
5,114,932	2,238,042
9,621,187	4,769,516
<b>245,370,929</b>	<b>92,166,796</b>
<b>711,584,427</b>	<b>282,192,961</b>
(12,890,536)	(2,578,637)
(4,501,769)	63,003,062
(1,175,796,671)	(89,112,866)
(78,755,915)	(62,535,189)
(71,873,588)	(71,955,698)
29,817,436	(1,148,689)
<b>(1,314,001,043)</b>	<b>(164,328,017)</b>
<b>686,840,092</b>	<b>(39,840,896)</b>
<b>80,118,705</b>	<b>(35,079,109)</b>
<b>164,542,181</b>	<b>42,944,939</b>
<b>(61,327,805)</b>	<b>(82,796,283)</b>
-	<b>(19,808,358)</b>
<b>103,214,376</b>	<b>(59,659,702)</b>
<b>(88,526,560)</b>	<b>(1,021,021,973)</b>
-	(1,660,332)
-	39,347,539
<b>13,006,019</b>	13,964,526
<b>(3,000,000)</b>	-
<b>1,923,848</b>	1,008,253
<b>81,211,047</b>	541,489,192
<b>4,614,354</b>	<b>(426,872,795)</b>
-	441,961,001
<b>(57,560,883)</b>	(47,125,000)
<b>(93,617,341)</b>	(29,494,132)
-	(192,697)
<b>(151,178,224)</b>	<b>365,149,172</b>
<b>(43,349,494)</b>	<b>(121,383,325)</b>
<b>(691,494,844)</b>	<b>(76,693,469)</b>
<b>(734,844,338)</b>	<b>(198,076,794)</b>
<b>574,814,589</b>	<b>362,609,659</b>
<b>(1,309,658,927)</b>	<b>(560,686,453)</b>
<b>(734,844,338)</b>	<b>(198,076,794)</b>

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

Chief Executive Officer

Chief Financial Officer

Director

# Ferozsons Laboratories Limited

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

For the period ended 30 September 2023

### 1 The Group and its operation

Ferozsons Laboratories Limited (“the Holding Company”) was incorporated as a private limited company on 28 January 1954 and commenced its commercial operations in 1956. The Company was converted into a public limited company on 08 September 1960. The Holding Company is listed on the Pakistan Stock Exchange Limited and is primarily engaged in the imports, manufacture and sale of pharmaceuticals products and medical devices. Its registered office is situated at 197-A, The Mall, Rawalpindi and the manufacturing facility is located at Amangarh, Nowshera, Khyber Pakhtoon Khwa.

“The Group” consists of the following subsidiaries:

Company / Entity	County of incorporation	Nature of business	Effective holding %	
			30 September 2023	30 June 2023
BF Biosciences Limited	Pakistan	Import, manufacturing and sale of pharmaceutical products	80	80
Farmacia	Pakistan	Sale and distribution of medicines and other related products	98	98

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

The head office of the Farmacia is situated at Fatima Memorial Hospital, Shadman, Lahore.

### 2 Basis of consolidation

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

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

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

### 3 Basis of preparation

#### 3.1 Statement of compliance

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

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

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

#### 3.2 Basis of accounting

**3.2.1** This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Holding Company, as at 30 September 2023 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows together with the notes forming part thereof.

**3.2.2** This condensed interim consolidated financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Holding Company as at and for the year ended 30 June 2023.

**3.2.3** Comparative consolidated statement of financial position's numbers are extracted from the annual audited consolidated financial statements of the Holding Company for the year ended 30 June 2023, whereas comparative consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim consolidated financial statements of the Holding Company for the three months period ended 30 September 2022.

**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 2023.

### **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 2023.

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

## **4 Long term loan - secured**

There is no change in the sanctioned limits as already disclosed in the annual consolidated financial statements for the year ended 30 June 2023.

## **5 Short term borrowings - secured**

There were no material changes in any of the facilities during the period. All terms and conditions applicable on short term borrowings availed are same as those disclosed in the annual consolidated financial statements for the year ended 30 June 2023.

## **6 Contingencies and commitments**

There is no significant change in the status of the contingencies and commitments as reported in the annual audited consolidated financial statements for the year ended 30 June 2023.

		<b>Un-audited 30 September 2023</b>	<b>Audited 30 June 2023</b>
		-----Rupees-----	
<b>7 Property, plant and equipment</b>	<i>Note</i>		
Operating fixed assets	7.1	<b>3,693,210,675</b>	3,814,757,548
Capital work-in-progress		<b>4,242,540,065</b>	4,160,496,298
		<b>7,935,750,740</b>	<b>7,975,253,846</b>
<b>7.1 Operating fixed assets</b>			
<b><u>Cost</u></b>			
Opening balance at beginning of the period / year		<b>5,329,009,563</b>	4,876,929,622
Additions / transfers during the period / year		<b>6,482,793</b>	523,765,497
Disposals during the period / year		<b>(25,144,188)</b>	(71,685,556)
Closing balance at end of the period / year		<b>5,310,348,168</b>	5,329,009,563
<b><u>Less: Accumulated depreciation</u></b>			
Opening balance at beginning of the period / year		<b>1,514,252,015</b>	1,100,630,411
Depreciation for the period / year		<b>123,515,866</b>	471,846,625
On disposals		<b>(20,630,388)</b>	(58,225,021)
Closing balance at end of the period / year		<b>1,617,137,493</b>	1,514,252,015
<b>Operating fixed assets - net book value</b>		<b>3,693,210,675</b>	<b>3,814,757,548</b>

	Un-audited 30 September 2023	Audited 30 June 2023
Note	----- Rupees -----	

## 8 Short term investments

### Investments at fair value through profit or loss

Mutual fund	8.1	<u>492,849,699</u>	<u>544,965,655</u>
-------------	-----	--------------------	--------------------

#### 8.1 These investments are measured at 'fair value through Profit or Loss'

Fair value at 01 July		544,965,655	2,036,352,584
Redemption during the period / year - <i>net</i>		(71,837,270)	(1,504,375,774)
Realized gain on sale of investments during the period / year		317,789	7,983,560
Unrealized gain on re-measurement of investment during the period / year		19,403,525	5,005,285
Fair value at 30 September / 30 June	8.1.1	<u>492,849,699</u>	<u>544,965,655</u>

Units		Fair value	
Un-audited 30 September 2023	Audited 30 June 2023	Un-audited 30 September 2023	Audited 30 June 2023
.....Number.....		.....Rupees.....	

#### 8.1.1 Mutual fund wise detail is as follows:

HBL Money Market Fund	3,288,918	3,288,878	356,793,701	339,421,408
HBL Cash Fund	445,346	12,584,486	45,800,790	43,814,079
ABL Cash Fund	1,079,440	216,449	11,059,084	125,037,256
Pakistan Cash Management Fund	8,266	7,922	417,189	399,799
Alfalah Investment Money Market Fund	616,936	355,974	77,669,072	35,183,250
MCB Cash Management Optimizer Fund	10,868	10,939	1,109,863	1,109,863
			<u>492,849,699</u>	<u>544,965,655</u>

## 9 Cash and bank balances

9.1 These include current account of Rs. 0.0024 million (30 June 2023: Rs. 0.0024 million) maintained under Shariah compliant arrangements.

9.2 These include deposit accounts of Rs. 47.90 million (30 June 2023: Rs. 53.36 million) under mark up arrangements, which carry interest rates ranging from 12.25% - 19.51% (30 June 2023: 12.25% - 19.51%) per annum.

These also include deposit account of Rs. 0.207 million (30 June 2023: Rs. 0.203 million) under Shariah compliant arrangements, which carries profit rate ranging from 6.50% - 10.00% (30 June 2023: 6.50% - 10.00%) per annum.

	<b>(Un-audited) First Quarter ended</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>
	----- Rupees -----	
<b>10 Revenue - net</b>		
<b>Gross sales:</b>		
Local	4,777,533,874	2,651,984,684
Export	212,387,379	225,256,670
	<b>4,989,921,253</b>	<b>2,877,241,354</b>
<b>Less:</b>		
Sales returns	<b>(377,011,711)</b>	(69,534,195)
Discounts	<b>(157,063,273)</b>	(220,699,158)
Sales tax	<b>(27,305,092)</b>	(20,011,180)
	<b>(561,380,076)</b>	(310,244,533)
	<b>4,428,541,177</b>	<b>2,566,996,821</b>

Note

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

	<b>(Un-audited) First Quarter ended</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>
	----- Rupees -----	
<b>11 Cost of sales</b>		
Raw and packing materials consumed	<b>1,485,926,634</b>	702,270,883
Other manufacturing expenses	<b>480,288,237</b>	362,774,787
	<b>1,966,214,871</b>	1,065,045,670
<i>Work in process:</i>		
Opening	<b>249,627,985</b>	187,423,025
Closing	<b>(304,403,908)</b>	(346,466,124)
	<b>(54,775,923)</b>	(159,043,099)
<b>Cost of goods manufactured</b>	<b>1,911,438,948</b>	906,002,571
<i>Finished stock:</i>		
Opening	<b>1,325,994,498</b>	1,540,438,988
Purchases made during the period	<b>1,888,278,698</b>	440,060,829
Closing	<b>(2,416,517,624)</b>	(1,396,577,818)
	<b>797,755,572</b>	583,921,999
	<b>2,709,194,520</b>	<b>1,489,924,570</b>
<b>11.1 Raw and packing materials consumed</b>		
Opening	<b>1,832,285,298</b>	1,006,691,172
Purchases made during the period	<b>1,245,353,657</b>	819,705,525
	<b>3,077,638,955</b>	1,826,396,697
Closing	<b>(1,591,712,321)</b>	(1,124,125,814)
	<b>1,485,926,634</b>	<b>702,270,883</b>



## 12 Transactions with related parties

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

	(Un-audited) First Quarter ended	
	30 September 2023	30 September 2022
----- Rupees -----		
<b>Other related parties</b>		
Contribution towards employees' provident fund	24,394,019	18,557,749
Remuneration including benefits and perquisites of key management personnel	28,437,443	21,559,238
Purchases from Bago Laboratories Pte. Limited	44,648,569	5,000,390
Payment made to Bago Laboratories Pte. Limited against purchases	36,802,165	19,580,844
Fee paid to Khan and Piracha	-	455,000
Meeting fee paid to Directors	80,000	150,000
Rent paid to Director against office	1,449,459	1,317,690

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

	Unclaimed dividend	Accrued mark-up	Long term loan	Total
----- Rupees -----				
<b>As at 01 July 2023</b>	97,332,707	85,967,950	2,891,898,383	3,075,199,040
<b><u>Changes from financing cash flows</u></b>				
Repayment of long term loan	-	-	(57,560,883)	(57,560,883)
Finance cost paid	-	(93,617,341)	-	(93,617,341)
<b>Total changes from financing cash flows</b>	-	(93,617,341)	(57,560,883)	(151,178,224)
<b><u>Non-cash changes</u></b>				
Interest / markup expense	-	121,072,697	-	121,072,697
Proceeds of loan during the period	-	-	-	-
<b>Total non-cash changes</b>	-	121,072,697	-	121,072,697
<b>As at 30 September 2023</b>	<b>97,332,707</b>	<b>113,423,306</b>	<b>2,834,337,500</b>	<b>3,045,093,513</b>
	Unclaimed dividend	Accrued mark-up	Long term loan	Total
----- Rupees -----				
<b>As at 01 July 2022</b>	91,693,095	32,613,579	2,087,956,900	2,212,263,574
<b><u>Changes from financing cash flows</u></b>				
Dividend paid	(192,697)	-	-	(192,697)
Repayment of long term loan	-	-	(47,125,000)	(47,125,000)
Finance cost paid	-	(29,494,132)	-	(29,494,132)
<b>Total changes from financing cash flows</b>	(192,697)	(29,494,132)	(47,125,000)	(76,811,829)
<b><u>Non-cash changes</u></b>				
Dividend approved	181,121,050	-	-	181,121,050
Interest / markup expense	-	34,670,058	-	34,670,058
Proceeds of loan during the period	-	-	441,961,001	441,961,001
<b>Total non-cash changes</b>	181,121,050	34,670,058	441,961,001	657,752,109
<b>As at 30 September 2022</b>	<b>272,621,448</b>	<b>37,789,505</b>	<b>2,482,792,901</b>	<b>2,793,203,854</b>

## 14 Financial risk management and financial instruments - fair value

14.1 The Group's financial risk management objective and policies are consistent with that disclosed in the annual consolidated financial statements of the Holding Company for the year ended 30 June 2023. The exposure to credit risk relates to trade and other receivables which are majorly due from Government institutions and the Company does not expect these institutions to fail to meet their obligations.

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

	Carrying Amount		Fair Value				
	Fair Value through statement of profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
<b>30 September 2023 (Un-audited)</b>							
<b>Financial assets measured at fair value:</b>							
Short term investments	492,849,699	-	-	492,849,699	492,849,699	-	-
<b>Financial assets not measured at fair value:</b>							
Long term deposits	-	17,544,325	-	17,544,325	-	-	-
Trade debts - considered good	-	2,298,596,312	-	2,298,596,312	-	-	-
Loans and advances - considered good	-	45,386,235	-	45,386,235	-	-	-
Short term deposits	-	233,320,734	-	233,320,734	-	-	-
Other receivables	-	10,475,269	-	10,475,269	-	-	-
Cash and bank balances	-	574,814,589	-	574,814,589	-	-	-
	-	3,180,137,464	-	3,180,137,464	-	-	-
<b>Financial liabilities measured at fair value:</b>							
	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value:</b>							
Trade and other payables	-	-	3,877,579,821	3,877,579,821	-	-	-
Unclaimed dividend	-	-	97,332,707	97,332,707	-	-	-
Short term borrowings - secured	-	-	1,309,658,927	1,309,658,927	-	-	-
Accrued mark-up	-	-	113,423,306	113,423,306	-	-	-
	-	-	5,397,994,761	5,397,994,761	-	-	-

		Carrying Amount		Fair Value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
<b>30 June 2023 (Audited)</b>							
<b>Financial assets measured at fair value:</b>							
Short term investments	544,965,655	-	-	544,965,655	544,965,655	-	-
<b>Financial assets not measured at fair value:</b>							
Long term deposits	-	14,544,325	-	14,544,325	-	-	-
Trade debts - considered good	-	1,122,799,641	-	1,122,799,641	-	-	-
Loans and advances - considered good	-	1,879,505	-	1,879,505	-	-	-
Short term deposits	-	172,233,497	-	172,233,497	-	-	-
Other receivables	-	13,826,258	-	13,826,258	-	-	-
Cash and bank balances	-	569,048,903	-	569,048,903	-	-	-
	-	1,894,332,129	-	1,894,332,129	-	-	-
<b>Financial liabilities measured at fair value:</b>							
	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value:</b>							
Trade and other payables	-	-	3,255,847,255	3,255,847,255	-	-	-
Unclaimed dividend	-	-	97,332,707	97,332,707	-	-	-
Short term borrowings - secured	-	-	1,260,543,747	1,260,543,747	-	-	-
Accrued mark-up	-	-	85,967,950	85,967,950	-	-	-
	-	-	4,699,691,659	4,699,691,659	-	-	-

**15 Subsequent event and date of authorization for issue**

The Board of Directors of the Holding Company in its meeting held on 28 October 2023 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.

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**Chief Executive Officer**

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**Chief Financial Officer**

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**Director**



**65** YEARS  
OF TRUST & DEVOTION