



***Condensed Interim
Unconsolidated Financial
Information for the
Nine Months Period
Ended 31 March 2016***



FEROZSONS
LABORATORIES LIMITED

YEARS OF TRUST & DEVOTION

50+

A stylized graphic featuring the number '50' in a bold, black, serif font. The '5' and '0' are connected at the bottom. To the right of the '0' is a plus sign '+'. Below the plus sign are two small, black, stylized birds in flight, facing right.

31 مارچ 2016 کو اختتام پذیر نو ماہی اور سہ ماہی انفرادی اور مجموعی

غیر آڈٹ شدہ گوشوارے پر ڈائریکٹران کی رائے

فیروز سنز لیبارٹریز لمیٹڈ کے بورڈ آف ڈائریکٹران آپ کو 31 مارچ 2016 کو اختتام پذیر نو ماہی اور سہ ماہی انفرادی اور مجموعی غیر آڈٹ شدہ گوشوارے پیش کرتے ہوئے مُسرت محسوس کر رہے ہیں۔ مجموعی گوشوارہ 98 فیصد خوردہ اکچرم (Retail Venture) فارمیسیا اور 80 فیصد یلی کمپنی بی ایف بائیوسائنسز پر مشتمل ہے۔

کاروباری/ عملیاتی اور مالیاتی کارکردگی:

زیر جائزہ عرصہ کے کاروباری نتائج کا خلاصہ حسب ذیل ہے۔

مجموعی				انفرادی			
3 ماہ	3 ماہ	9 ماہ	9 ماہ	3 ماہ	3 ماہ	9 ماہ	9 ماہ
31 مارچ 2015	31 مارچ 2016	31 مارچ 2015	31 مارچ 2016	31 مارچ 2015	31 مارچ 2016	31 مارچ 2015	31 مارچ 2016
رقم ہزاروں میں							
1,592,556	2,904,841	3,658,714	9337,846	1,263,180	2,643,451	2,757,857	8,471,076
712,597	1,149,900	1,718,305	3,807,207	561,845	1,063,616	1,299,340	3,422,938
424,986	687,606	855,724	2,582,242	338,401	659,492	644,200	2,388,371
(119,288)	(167,598)	(248,047)	(536,676)	(93,001)	(163,315)	(177,915)	(482,295)
305,698	520,008	607,677	2,045,566	245,400	496,177	466,285	1,906,076
خالص فروخت				کل منافع			
عمل از ٹیکس منافع				ٹیکس			
بعد از ٹیکس منافع							

آپ کی کمپنی کی خالص فروخت میں انفرادی سطح پر گزشتہ سال کے اسی عرصے کے مقابلے میں نو ماہ میں 207 فیصد اور تین ماہ میں 109 فیصد اضافہ ہوا ہے۔ جبکہ مجموعی سطح پر خالص فروخت میں نو ماہ میں 155 فیصد اور تین ماہ میں 82 فیصد گزشتہ سال کے اسی عرصے کے مقابلے میں اضافہ ہوا ہے۔

کمپنی کی خالص فروخت کی استثنائی پیداوار کی سب سے بڑی وجہ درآمدی مصنوعات ہیں جو کہ خصوصاً Gilead Sciences Inc. سے فرنیچر کی وجہ سے ہے، تاہم ان مصنوعات کے مجموعی نفع کی شرح بدرجہ کم ہے۔ کل منافع شرح میں نو ماہ میں 7 فیصد اور تین ماہ میں 4 فیصد کمی ہوئی ہے۔ ایسا کس مجموعی گوشوارے میں بھی ظاہر ہوا ہے۔ جہاں کل منافع کی شرح زیر جائزہ نو ماہ میں 6 فیصد اور تین ماہ میں 5 فیصد کم ہوئی ہے۔ حتمی طور پر کل منافع کی شرح میں 163 فیصد اور 89 فیصد بالترتیب نو ماہ میں اور تین ماہ میں اضافہ ہوا ہے۔

آپ کی کمپنی کا بعد از ٹیکس منافع 1.91 بلین روپے (309%) سے قلمبند ہوا ہے۔ جبکہ بعد از ٹیکس منافع میں 496.18 بلین روپے (102%) سے اضافہ ہوا ہے۔

نو ماہ کے بعد از ٹیکس منافع کی بنیاد پر بنیادی اور تھمیل شدہ آمدنی فی شیئر 63.14 روپے قلمبند کی ہے جبکہ گزشتہ سال اسی عرصے کے مقابلے میں آمدنی فی شیئر 15.45 روپے تھی۔

بی ایف بائیوسائنسز کی کاروباری کارکردگی:

کمپنی کی ذیلی کمپنی بی ایف بائیوسائنسز کی خالص فروخت 31 مارچ 2016 کو اختتام پذیر نو ماہ کے عرصے میں 829.72 بلین روپے

قلمبند ہوئی ہے۔ جو کہ گزشتہ سال اسی عرصے کے مقابلے میں 3 فیصد کم ہوئی ہے۔ خالص فروخت میں کمی کو کم چبانے پر گورنمنٹ کی خرید اور انٹرفیرون (Interferon) کی خالص فروخت کی کمی جو کہ ہیپائٹائٹس (Hepatitis) کا علاج بذریعہ گولیوں کے مارکیٹ میں لانے سے منسوب ہے۔

زیر جائزہ نو ماہ کی مدت کیلئے بعد از ٹیکس منافع 150.67 ملین روپے قلمبند کیا گیا ہے۔ جو کہ گزشتہ سال اسی عرصے کے مقابلے میں 4 فیصد زیادہ ہے۔ کمپنی کے بعد از ٹیکس منافع میں بہتری امید سن کی قیمت میں کمی اور مختلف انواع کی مصنوعات کی فروخت کی عکاسی کرتا ہے۔ مستقبل کے نقطہ نظر:

ہم یہ بیان کرتے ہوئے مُسرت محسوس کر رہے ہیں کہ Gilead Sciences Inc. کی باہمی شراکت سے، کمپنی ہاروونی (Harvoni) کے اندراج (Registration) کے اختتامی مراحل میں ہے۔ ہاروونی (Harvoni) جو کہ ہیپائٹائٹس (Hepatitis C) کے جینو ٹائپ (C) (Genotype I) کے مریضوں کی بذریعہ گولیاں علاج کی ایک نئی ایجاد ہے۔ ایک اندازے کے مطابق، پاکستان میں ہیپائٹائٹس جینو ٹائپ (Hepatitis C Genotype I) دس لاکھ سے زائد مریضوں میں پایا جاتا ہے۔

حالیہ مہینوں میں ڈرگ ریگولیشن اتھارٹی آف پاکستان (DRAP) نے سووالڈی (Sovaldi) کے مقابلے میں سوفوسبویئر (Sofosbuvir) کے کئی انواع (Generic) کی غیر معمولی کم قیمت پر اندراج کی منظوری دی ہے۔ عین اسی وقت آپ کی کمپنی پہلی پاکستانی کمپنی ہے، جس نے Gilead Sciences Inc. سے سووالڈی (Sovaldi) کا مستند انواع (Generic) بنانے کے لئے لائسنس اور مطلوبہ بینکاراجی حاصل کی ہے۔ آپ کی کمپنی اس پروڈکٹ کو سویرا (Savera) کے نام سے فروخت کرے گی۔

سویرا (Savera) کی رجسٹریشن DRAP کے زیر التوا ہے، یہ ان مریضوں کے لئے مددگار ثابت ہوگی جو پاکستان کے لئے سووالڈی (Sovaldi) کی نمایاں طور پر کم قیمت رسائی کے باوجود اس سے علاج کروانے سے قاصر ہیں، سویرا (Savera) کم قیمت پر معیاری علاج کی دستیابی کو یقینی بنائے گی۔ اصل مستند FDA سے منظور شدہ دوائی کی کم قیمت پر دستیابی، جو کہ بین الاقوامی قیمت کی ایک مختصر حصہ کی عکاسی کرتی ہے اور نمایاں طور پر کم قیمت پر مجاز الاقسام انواع (Generic) کی اضافی دستیابی، پاکستان میں ہیپائٹائٹس (Hepatitis) کے مریضوں کی علاج تک رسائی میں اضافہ کرے گی۔ سویرا (Savera) کی ارزان نرخوں پر دستیابی Inc. Gilead Sciences کے مریضوں کی آمدنی کی سطح اور مختلف جغرافیوں میں قیام پذیر ہونے کو نظر انداز کرتے ہوئے دنیا بھر کے مریضوں کی جدید ترین ادویات کے ذریعے علاج کی رسائی کی وابستگی کی واضح عکاسی کرتی ہے۔ ہماری Gilead Sciences Inc. کے ساتھ وابستگی کمپنی کے لئے باعثِ فخر ہے۔

اظہارِ تشکر:

ہم کمپنی کی تمام انتظامیہ اور عملے کا ان مشکل ماحول میں شاندار نتائج کی فراہمی پر شکر یہ ادا کرتے ہیں، زیر جائزہ گوشوارے میں درج مالیاتی اور کاروباری کارکردگی کی لگن اور سخت محنت کے بغیر ناممکن تھی۔

ہم اپنے پرنسپل اور شراکت داروں کے کمپنی پر مسلسل اعتماد پر شکر گزار ہیں اور اس کے ساتھ ساتھ ہمارے قابل قدر صارفین کا کمپنی کی مصنوعات پر اعتماد کو قدر کی نگاہ سے دیکھتے ہیں۔

بورڈ آف ڈائریکٹران کی طرف سے

مسز اختر خالد وحید

چیئر پرسن

CORPORATE INFORMATION

Board of Directors

Mrs. Akhter Khalid Waheed	Chairperson	Non-Executive Director
Mr. Osman Khalid Waheed	Chief Executive	Executive Director
Mrs. Amna Piracha Khan		Non-Executive Director
Mrs. Munize Azhar Peracha		Non-Executive Director
Mr. Farooq Mazhar		Non-Executive Director
Mr. Nihal Cassim		Non-Executive Director
Mr. Shahid Anwar	Nominee of the NIT	Independent Director

Audit Committee

Mr. Shahid Anwar	Chairman
Mrs. Amna Piracha Khan	Member
Mr. Farooq Mazhar	Member
Mr. Nihal Cassim	Member

Investment Committee

Mr. Farooq Mazhar	Chairman
Mr. Osman Khalid Waheed	Member
Mr. Nihal Cassim	Member

HR & Remuneration Committee

Mr. Shahid Anwar	Chairman
Mr. Farooq Mazhar	Member
Mr. Nihal Cassim	Member

Company Secretary/Chief Financial Officer

Syed Ghausuddin Saif

Head of Internal Audit

Mr. Rizwan Hameed Butt

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers

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

Legal Advisors

Khan & Piracha

Registered Office

Ferozsons Laboratories Limited
197-A, The Mall
Rawalpindi-46000, Pakistan
Telephone: +92-51-4252155-57
Fax: +92-51-4252153
Email: cs@ferozsons-labs.com

Share Registrar

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

Factory

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

Head Office

5 K.M - Sunder Raiwind Road
Lahore, Pakistan
Telephone: +92-42-36026700
Fax: +92-42-36026701-2

Sales Office Lahore

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

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

(The quarterly accounts can be downloaded from Company's Website: www.ferozsons-labs.com)

DIRECTORS' REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

The Board of Directors of Ferozsons Laboratories Limited is pleased to present you the Company's un-audited Standalone and Consolidated condensed interim financial information for the nine months & quarter ended 31 March 2016. The consolidated condensed interim financial information incorporates the Company's 98% owned retail venture Farmacia and 80% owned subsidiary BF Biosciences Limited.

OPERATIONAL AND FINANCIAL PERFORMANCE

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

	Individual				Consolidated			
	9 Months	9 Months	3 Months	3 Months	9 Months	9 Months	3 Months	3 Months
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	(Rupees in thousands)							
Sales (net)	8,471,076	2,757,857	2,643,451	1,263,180	9,337,846	3,658,714	2,904,841	1,592,556
Gross Profit	3,422,938	1,299,340	1,063,616	561,845	3,807,207	1,718,305	1,149,900	712,597
Profit before tax	2,388,371	644,200	659,492	338,401	2,582,242	855,724	687,606	424,986
Taxation	(482,295)	(177,915)	(163,315)	(93,001)	(536,676)	(248,047)	(167,598)	(119,288)
Profit after tax	1,906,076	466,285	496,177	245,400	2,045,566	607,677	520,008	305,698

Standalone Net Sales of your Company grew by 207% for the nine months and 109% for the 3rd quarter over the corresponding period of last year. At the Consolidated group level, Net sales showed an increase of 155% for the nine months and 82% for the 3rd quarter over the same corresponding period last year.

This exceptional growth in topline of the Company is in large part due to its portfolio of imported products, particularly its franchise from Gilead Sciences Inc. However, since these products carry lower GP margins, Gross Profit margins have shown a decline of 7% in nine months and 4% in the 3rd quarter respectively. The same effect is also represented in the consolidated numbers where GP margins have declined by 6% for the nine months and by 5% for the 3rd quarter under review. In absolute terms, the Gross Profit has increased by 163% and 89% for the nine months and the 3rd quarter respectively.

The Net Profit After Tax (NPAT) of the Company for the nine months closed at Rs. 1.91 billion (309%), whereas NPAT for the 3rd quarter was recorded at Rs. 496.18 million (102%).

Based on the Net Profit for the nine months ended 31 March 2016, the Earnings per Share (EPS), both basic and diluted, stand at Rs. 63.14 compared to EPS of Rs. 15.45 of same period last year.

BF Biosciences Limited Operational Status

The Company's subsidiary company BF Biosciences Limited closed its Net Sales at Rs. 829.72 million for the nine months ended 31 March 2016 with a decline of 3% in comparison with the same corresponding period last year. The decrease in sales is attributable to reduced government buying and decline in Interferon sales due to launch of oral dose treatment regime for HCV.

Net Profit After Tax (NPAT) for the nine months under review was recorded at Rs. 150.67 million, showing a growth of 4% over the same corresponding period last year. Improvement in the company's bottom line reflects the impact of reduction in fuel cost and an improved sales mix.

Future Outlook

We are pleased to report that in continuation of its work with Gilead Science's product pipeline, the company is in the final stages of registration for Harvoni ®, an innovative, all-oral treatment for patients of Genotype 1 Hepatitis C. Genotype 1 is estimated to prevail in over 1 Million HCV patients in Pakistan.

In recent months, the Drug Regulatory Authority of Pakistan has granted registration to several generics of Sofosbuvir at a significantly lower price than Sovaldi ®. At the same time, your Company has also become the first Pakistani manufacturer to obtain a license and the requisite production process technology from Gilead Science to manufacture an authorized generic of Sovaldi ® in Pakistan under the brand name **Savera**.

The availability of Savera, which is pending registration by DRAP, will help ensure that those patients who are unable to afford treatment with Sovaldi ® despite its significantly reduced access price for Pakistan, will have assured access to quality treatment at a lower price point. The availability of the original FDA-approved product at an access price representing a fraction of its international price, coupled with the additional availability of authorized generics at a significantly reduced price, will help further expand access to HCV cure for patients in Pakistan, and tangibly demonstrates Gilead's commitment to providing treatment access to the most advanced medicines to patients throughout the world, regardless of their income levels or the geographies in which they live. Our association with Gilead continues to be a source of deep pride for the Company.

Acknowledgments

We would also like to register our appreciation for the tireless efforts of the Company's management and staff at all levels, for their teamwork in delivering excellent results in a difficult environment. Without their dedication and hard work, the financial and operational performance reflected in this interim period would not have been possible.

We would also like to thank our principals and business partners for their continuous support and confidence in our Company, as well as our valued customers for their continued trust in our products.

For and on behalf of the Board of Directors

(Mrs. Akhter Khalid Waheed)
Chairperson

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

	Un-Audited 31 March 2016	Audited 30 June 2015
EQUITY AND LIABILITIES	Note	-----Rupees-----
<u>Share capital and reserves</u>		
Authorized share capital 50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rs. 10 each		500,000,000 500,000,000
Issued, subscribed and paid up capital	3	301,868,410 301,868,410
Capital reserve		321,843 321,843
Accumulated profit		3,556,766,588 2,401,056,940
		3,858,956,841 2,703,247,193
Surplus on revaluation of property, plant and equipment - net of tax		366,797,368 371,101,820
<u>Non current liabilities</u>		
Deferred taxation		35,666,181 40,137,245
<u>Current liabilities</u>		
Trade and other payables	4	1,572,267,146 1,250,144,914
Accrued mark-up		2,791 10,634
Provision for taxation - net		38,997,750 24,395,580
		1,611,267,687 1,274,551,128
		5,872,688,077 4,389,037,386
Contingencies and commitments	5	

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

 Director

AS AT 31 MARCH 2016

	Un-Audited 31 March 2016	Audited 30 June 2015
Note	-----Rupees-----	
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	6 1,724,593,670	1,287,233,593
Intangibles	3,946,261	1,040,462
Long term investments	7 258,078,102	241,708,087
Long term deposits	3,471,325	3,458,825
	1,990,089,358	1,533,440,967
<i>Current assets</i>		
Stores, spare parts and loose tools	36,333,252	23,422,301
Stock in trade	1,591,922,923	1,216,591,555
Trade debts - considered good	8 460,155,638	232,931,043
Loans and advances - considered good	46,843,599	33,559,605
Deposits and prepayments	74,958,127	51,496,028
Other receivables	3,008,160	2,629,658
Short term investments	9 1,420,876,202	841,000,000
Cash and bank balances	248,500,818	453,966,229
	3,882,598,719	2,855,596,419
	5,872,688,077	4,389,037,386

 CEO

**CONDENSED INTERIM UNCONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Note	Nine months period ended		Three months period ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
		Rupees			
Revenue - net	10	8,471,075,710	2,757,856,710	2,643,450,941	1,263,179,749
Cost of sales	11	(5,048,138,139)	(1,458,516,888)	(1,579,834,969)	(701,334,459)
Gross profit		3,422,937,571	1,299,339,822	1,063,615,972	561,845,290
Administrative expenses		(176,629,673)	(134,701,875)	(56,593,108)	(43,139,310)
Selling and distribution expenses		(706,990,659)	(517,320,762)	(291,161,948)	(169,823,683)
Finance cost		(8,188,298)	(12,742,355)	(2,382,051)	(1,499,365)
Other expenses		(238,807,153)	(54,733,465)	(89,980,054)	(28,751,749)
Other income		96,049,063	64,358,446	35,993,068	19,770,032
Profit before taxation		2,388,370,851	644,199,811	659,491,879	338,401,215
Taxation		(482,294,631)	(177,914,649)	(163,314,967)	(93,001,222)
Profit after taxation		1,906,076,220	466,285,162	496,176,912	245,399,993
Earnings per share - basic and diluted		63.14	15.45	16.44	8.13

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

 Director

 CEO

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Nine months period ended		Three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	-----Rupees-----			
Profit after taxation	1,906,076,220	466,285,162	496,176,912	245,399,993
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,906,076,220</u>	<u>466,285,162</u>	<u>496,176,912</u>	<u>245,399,993</u>

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

 Director

 CEO

**CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	31 March 2016	31 March 2015
-----Rupees-----		
Cash flow from operating activities		
Profit before taxation	2,388,370,851	644,199,811
<u>Adjustments for:</u>		
Depreciation	99,337,962	81,369,453
Amortisation	723,418	214,160
Gain on sale of property, plant and equipment	(7,139,224)	(6,372,482)
Finance costs	8,188,298	12,742,355
Gain on re-measurement of short term investments to fair value	(29,199,661)	(22,371,649)
Gain on sale of short term investments	(22,017,455)	(11,900,509)
Mark-up on long term loan	-	(5,367,897)
Profit on term deposits	(8,145,534)	-
Share in profit of Farmacia	(16,370,015)	(12,331,725)
Provision for Worker's Profit Participation Fund	128,269,111	34,597,197
Provision for Central Research Fund	25,912,952	6,989,332
Provision for Worker's Welfare Fund	48,742,262	13,146,935
	228,302,114	90,715,170
Cash generated from operations before working capital changes	2,616,672,965	734,914,981
<u>Effect on cash flow due to working capital changes</u>		
<u>Increase in current assets:</u>		
Stores, spare parts and loose tools	(12,910,951)	(6,670,738)
Advances, deposits, prepayments and other receivables	(37,124,595)	(36,991,768)
Stock in trade	(375,331,368)	(264,716,556)
Trade debts - considered good	(227,224,595)	(199,369,596)
	(652,591,509)	(507,748,658)
<u>Increase in current liabilities:</u>		
Trade and other payables	178,796,698	166,965,734
Cash generated from operations	2,142,878,154	394,132,057
Taxes paid	(472,163,525)	(188,163,657)
Worker's Profit Participation Fund paid	(62,211,241)	(33,250,628)
Central Research Fund paid	(11,864,141)	(11,572,956)
Worker's Welfare Fund paid	(11,636,394)	(6,152,555)
Long term deposits	(12,500)	327,275
Net cash generated from operating activities	1,584,990,353	155,319,536
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(539,447,593)	(178,037,509)
Acquisition of intangibles	(3,629,217)	(543,600)
Proceeds from sale of property, plant and equipment	9,888,775	9,850,101
Interest income received on long term loan	-	9,789,598
Profit on term deposits	8,145,534	-
Recovery of long term loan	-	100,000,000
(Acquisition) / Redemption of short term investments - net	(528,659,086)	384,957,543
Net cash (used in) / generated from investing activities	(1,053,701,587)	326,016,133
<u>Cash flow from financing activities</u>		
Finance cost paid	(8,196,141)	(11,767,121)
Dividend paid	(728,558,036)	(274,814,121)
Net cash used in financing activities	(736,754,177)	(286,581,242)
Net (decrease) / increase in cash and cash equivalents	(205,465,411)	194,754,427
Cash and cash equivalents at beginning of the period	453,966,229	104,120,993
Cash and cash equivalents at end of the period	248,500,818	298,875,420

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

Director

CEO

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT
 OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Share capital	Capital reserve	Accumulated profit	Total
	Rupees			
Balance as at 30 June 2014 - audited	301,868,410	321,843	2,039,310,336	2,341,500,589
<i>Total comprehensive income</i>				
Profit for the nine months period ended 31 March 2015	-	-	466,285,162	466,285,162
Other comprehensive income for the period	-	-	-	-
	-	-	466,285,162	466,285,162
<i>Surplus transferred to accumulated profit:</i>				
- on account of incremental depreciation charged during the period - net of tax	-	-	4,241,151	4,241,151
- on account of disposal of fixed assets during the period - net of tax	-	-	(80,527)	(80,527)
	-	-	4,160,624	4,160,624
<i>Transactions with owners of the Company:</i>				
- Final dividend for the year ended 30 June 2014 at Rs. 9 per share	-	-	(271,681,569)	(271,681,569)
- Interim dividend for the year ended 30 June 2015 at Rs. 4 per share	-	-	(120,747,364)	(120,747,364)
	-	-	(392,428,933)	(392,428,933)
Balance as at 31 March 2015 - un-audited	301,868,410	321,843	2,117,327,189	2,419,517,442
Balance as at 30 June 2015 - audited	301,868,410	321,843	2,401,056,940	2,703,247,193
<i>Total comprehensive income</i>				
Profit for the nine months period ended 31 March 2016	-	-	1,906,076,220	1,906,076,220
Other comprehensive income for the period	-	-	-	-
	-	-	1,906,076,220	1,906,076,220
<i>Surplus transferred to accumulated profit:</i>				
- on account of incremental depreciation charged during the period - net of tax	-	-	4,304,452	4,304,452
- on account of disposal of fixed assets during the period - net of tax	-	-	-	-
	-	-	4,304,452	4,304,452
<i>Transactions with owners of the Company:</i>				
- Final dividend for the year ended 30 June 2015 at Rs. 15 per share	-	-	(452,802,614)	(452,802,614)
- Interim dividend for the year ended 30 June 2016 at Rs. 10 per share	-	-	(301,868,410)	(301,868,410)
	-	-	(754,671,024)	(754,671,024)
Balance as at 31 March 2016 - un-audited	301,868,410	321,843	3,556,766,588	3,858,956,841

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

 Director

 CEO

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

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 the Pakistan Stock Exchange Limited and is primarily engaged in the import, manufacture and sale of pharmaceutical products. Its registered office is situated at 197-A, The Mall, Rawalpindi and the factory is located at Amangarh, Nowshera, Khyber Pakthoon Khwa.

2 Basis of preparation

2.1 Basis of accounting

2.1.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 March 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.1.3 This condensed interim unconsolidated financial information 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 2015.

2.1.4 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2015, whereas comparative unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2015.

2.1.5 This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.

2.2 Judgements and estimates

In preparing this interim unconsolidated 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 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 2015.

2.3 Statement of consistency in accounting policies

- 2.3.1** Except for note 2.3.2 the accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2015. The Company has adopted IFRS 13 'Fair Value Measurement' during the year which became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' are disclosed in note 2.3.2 and 14.2 to these condensed interim unconsolidated financial information.
- 2.3.2** During the year the Company has adopted IFRS 13 'Fair Value Measurement' which became effective for the financial periods beginning on or after 1 January 2015. IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair values as the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments Disclosures. As a result, the Company has included the additional disclosure in this regard in note 14.2 to the financial statements. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change has no such significant impacts on the measurements of the Company's financial assets and liabilities.
- 2.3.3** 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 Company's operations and are, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016:

Standard or interpretation	"Effective date (accounting periods beginning on or after)"
IAS 19 - Employee Benefits	01 January 2016
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property, Plant and Equipment	01 January 2016
IAS 41 - Agriculture	01 January 2016
IFRS 10 - Consolidated Financial Statements	01 January 2016
IAS 28 - Investments in Associates and Joint Ventures	01 January 2016
IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	01 January 2016
IFRS 7 - Financial Instruments- Disclosures	01 January 2016
IAS 27 - Separate Financial Statements	01 January 2016
IAS 34 - Interim Financial Reporting	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2016

	Un-Audited 31 March 2016	Audited 30 June 2015
	-----Rupees-----	
3 Issued, subscribed and paid up capital		
11,441,952 (30 June 2015: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2015: 119,600) ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	1,196,000	1,196,000
28,625,289 (30 June 2015: 28,625,289) ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>286,252,890</u>	<u>286,252,890</u>
	<u>301,868,410</u>	<u>301,868,410</u>

KFW Factors (Private) Limited, an associated company holds 8,286,942 (30 June 2015: 8,286,942) ordinary shares of Rs. 10 each of the Company.

4 Trade and other payables

These mainly include balance of trade creditors of Rs. 1,204 million (30 June 2015: Rs. 1,038 million) and payable to related parties, BF Biosciences Limited amounting to Rs. Nil (30 June 2015: Rs. 2.6 million) and Farmacia amounting to Rs. Nil (30 June 2015: Rs. 3.2 million) respectively.

5 Contingencies and commitments

5.1 Contingencies

There is no significant change in contingencies already disclosed in preceding annual published statement of the Company for the year ended 30 June 2015.

5.2 Commitments

Letters of credit

Out of the aggregate facility of Rs. 675 million (30 June 2015: Rs. 600 million) for opening letters of credit, the amount utilized at 31 March 2016 for capital expenditure was Rs. 150.78 million (30 June 2015 : Rs. 188.75 million) and for other than capital expenditure was Rs. 47.52 million (30 June 2015: Rs. 50.57 million).

	Un-Audited 31 March 2016	Audited 30 June 2015
<i>Note</i>	-----Rupees-----	
6 Property, plant and equipment		
<u>Cost</u>		
Opening balance at beginning of the period / year	1,484,860,787	1,344,135,280
Additions during the period / year	92,726,082	76,644,870
Transfers from CWIP during the period / year	43,132,812	94,350,629
Disposals during the period / year	(16,738,767)	(30,269,992)
Closing balance at end of the period / year	1,603,980,914	1,484,860,787
<u>Accumulated depreciation</u>		
Opening balance at beginning of the period / year	366,853,196	281,777,579
Depreciation for the period / year	99,337,962	111,238,016
On disposals	(13,989,213)	(26,162,399)
Closing balance at end of the period / year	452,201,945	366,853,196
Operating fixed assets - net book value	1,151,778,969	1,118,007,591
Capital work in progress - at cost	572,814,701	169,226,002
	<u>1,724,593,670</u>	<u>1,287,233,593</u>
7 Long term investments		
<u>Related parties - at cost:</u>		
Farmacia (partnership firm) 7.1	106,078,142	89,708,127
BF Biosciences Limited (unlisted subsidiary) 7.2	151,999,960	151,999,960
	<u>258,078,102</u>	<u>241,708,087</u>
7.1 This represents the Company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail pharmacies. Share of profit, if any, for the period / year not withdrawn is reinvested in capital account of partnership.		
7.2 This represents investment made in 15,199,996 ordinary shares of Rs. 10 each, in BF Biosciences Limited. 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% of equity of the subsidiary and the remaining 20% is held by Gurpo Empresarial Bagó S.A, Argentina.		
8 Trade debts - considered good		
These include due from related parties, Farmacia amounting to Rs. Nil (30 June 2015: Rs. 0.14 million) and BF Biosciences Limited amounting to Rs. Nil (30 June 2015: Rs. 0.79 million).		

		Un-Audited 31 March 2016	Audited 30 June 2015
	Note	-----Rupees-----	
9	Short term investments		
	<u>Loans and receivables</u>		
	Term deposits with banks - local currency	9.1 500,000,000	841,000,000
	<u>Investments at fair value through profit or loss - listed securities</u>		
	Held for trading	9.2 920,876,202	-
		<u>1,420,876,202</u>	<u>841,000,000</u>

9.1 The local currency short-term deposits have a maximum maturity period of 30 days, carrying profit at 5.54% (as at 30 June 2015: ranging from 5.92 % to 7.25 %) per annum.

9.2 These investments are 'held for trading':

<u>No. of units</u>		<u>Mutual Funds</u>	<u>Fair value</u>	
<u>Un-audited 31 March 2016</u>	<u>Audited 30 June 2015</u>		<u>Un-audited 31 March 2016</u>	<u>Audited 30 June 2015</u>
			----- Rupees -----	
26,718,694	-	ABL Government Securities Fund-B	284,334,996	-
1,897,812	-	HBL Income Fund	208,784,750	-
7,609,274	-	MCB- MetroBank- Pakistan Sovereign Fund	427,412,919	-
32,878	-	ABL Cash Fund	343,537	
			<u>920,876,202</u>	<u>-</u>

	Un-audited		Un-audited	
	Nine months period ended		Three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
10 Revenue - net	<i>Note</i> ----- Rupees -----			
Gross sales:				
Local	8,671,334,794	2,748,121,302	2,706,338,090	1,227,375,301
Export	152,930,975	184,684,494	24,250,201	86,303,250
	8,824,265,769	2,932,805,796	2,730,588,291	1,313,678,551
Less:				
Sales returns, discounts and commission	(352,648,337)	(171,195,998)	(87,076,653)	(48,155,009)
Sales tax	(541,722)	(3,753,088)	(60,697)	(2,343,793)
	(353,190,059)	(174,949,086)	(87,137,350)	(50,498,802)
	8,471,075,710	2,757,856,710	2,643,450,941	1,263,179,749
11 Cost of sales				
Raw materials consumed	11.1 513,226,050	462,195,656	182,012,554	144,691,924
Other manufacturing expenses	260,078,387	186,819,640	90,579,853	65,552,445
	773,304,437	649,015,296	272,592,407	210,244,369
Work in process:				
Opening	31,321,035	45,827,685	33,549,840	59,432,960
Closing	(37,884,973)	(45,413,842)	(37,884,973)	(45,413,842)
	(6,563,938)	413,843	(4,335,133)	14,019,118
Cost of goods manufactured	766,740,499	649,429,139	268,257,274	224,263,487
Finished stock:				
Opening	890,680,428	358,018,032	1,284,465,783	625,146,179
Purchases made during the period	4,620,865,992	1,033,067,492	1,257,260,692	433,922,568
Closing	(1,230,148,780)	(581,997,775)	(1,230,148,780)	(581,997,775)
	4,281,397,640	809,087,749	1,311,577,695	477,070,972
	5,048,138,139	1,458,516,888	1,579,834,969	701,334,459
11.1 Raw materials consumed				
Opening	279,911,865	241,413,478	254,881,398	242,780,225
Purchases made during the period	519,958,053	485,770,041	213,775,024	166,899,562
	799,869,918	727,183,519	468,656,422	409,679,787
Closing	(286,643,868)	(264,987,863)	(286,643,868)	(264,987,863)
	513,226,050	462,195,656	182,012,554	144,691,924

- 12** The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company has already distributed interim cash dividend of Rs. 10 per share, approved by the Board of Directors of the Company in its meeting held on 23 January 2016. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed interim unconsolidated financial information for the period ended 31 March 2016.

13 Transactions with related parties

The Company's related parties 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 respective notes in the condensed interim unconsolidated financial information. Transactions with related parties during the period are as follows:

	Un-audited	
	Nine months period ended	
	31 March 2016	31 March 2015
	----- Rupees -----	
<u>Farmacia - 98% owned subsidiary partnership firm</u>		
Sale of medicines	1,466,838	1,276,968
Share of profit reinvested	16,370,015	12,331,725
Rental	2,246,667	2,042,421
Payment received from Farmacia against sale of medicine	1,606,341	1,336,004
<u>BF Biosciences Limited - 80% owned subsidiary company</u>		
Recovery of long term loan and mark up	-	109,789,598
Interest on long term loan charged during the period	-	5,367,897
Sale of medicine to subsidiary	90,524,074	76,842,442
Payment received against sale of medicine	91,312,182	87,209,094
Purchase of medicine from subsidiary	31,182,332	527,879
Payment made against purchase of medicine	31,693,597	289,165
Management fee and expenses for sales promotion	2,513,433	569,619
Lease rental	150,000	150,000
Expenses incurred	8,627,717	7,149,426
<u>Khan & Piracha - associated</u>		
Professional services charges	9,000	18,000
<u>Other related parties</u>		
Contribution towards employees' provident fund	17,235,090	13,428,610
Remuneration including benefits and perquisites of key management personnel	82,465,258	64,696,948
Payment into Workers' Profit Participation Fund	62,211,241	33,250,628
Dividend to KFW Factors (Private) Limited	207,304,130	107,730,246
Dividend to directors	87,484,910	49,902,623

14 Financial risk management and financial instruments - fair value

- 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 2015.

14.2 Financial instruments - fair value

The additional disclosures due to the adoption of IFRS 13 Fair Value Measurement are as follows:

	Note	Carrying Amount (Un-audited)		Fair Value (Un-audited)		
		Fair Value through Income Statement	Loans and receivables	Other financial liabilities	Total	Level 1
----- Rupees -----						
On-Balance sheet financial instruments						
31.March.2016						
Financial assets measured at fair value:						
Short term investments		920,876,202	-	-	920,876,202	-
		920,876,202	-	-	920,876,202	-
Financial assets not measured at fair value:						
Trade debts - considered good	14.2.1	-	460,155,638	-	460,155,638	-
Loans and receivables		-	500,000,000	-	500,000,000	-
Cash and bank balances	14.2.1	-	248,500,818	-	248,500,818	-
Loans and advances - considered good	14.2.1	-	46,843,589	-	46,843,589	-
Deposits	14.2.1	-	66,684,866	-	66,684,866	-
Other receivables	14.2.1	-	3,008,160	-	3,008,160	-
Long term deposits	14.2.1	-	3,471,325	-	3,471,325	-
		-	1,328,664,406	-	1,328,664,406	500,000,000
Financial liabilities measured at fair value:						
		-	-	-	-	-
		-	-	-	-	-
Financial liabilities not measured at fair value:						
Trade and other payables	14.2.1	-	-	1,519,970,295	1,519,970,295	-
Accrued mark-up	14.2.1	-	-	2,791	2,791	-
		-	-	1,519,973,086	1,519,973,086	-

14.2.1 The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore, their carrying values are reasonable approximation of fair values.

15 Date of authorization for issue

The Board of Directors of the Company in its meeting held on 21 April 2016 has authorized to issue these condensed interim unconsolidated financial statements.

16 General

Figures have been rounded off to the nearest rupee.

Director

CEO



***Condensed Interim
Consolidated Financial
Information for the
Nine Months Period
Ended 31 March 2016***



FEROZSONS
LABORATORIES LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

	Un-Audited 31 March 2016	Audited 30 June 2015
EQUITY AND LIABILITIES	Note	-----Rupees-----
<u>Share capital and reserves</u>		
Authorized share capital 50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000
Issued, subscribed and paid up capital	4 301,868,410	301,868,410
Capital reserve	321,843	321,843
Accumulated profit	4,080,306,086	2,811,333,056
Equity attributable to owners of the Company	4,382,496,339	3,113,523,309
Non-controlling interests	168,549,790	138,654,363
	4,551,046,129	3,252,177,672
Surplus on revaluation of property, plant and equipment - net of tax	408,455,367	416,429,177
<u>Non current liabilities</u>		
Deferred taxation	86,677,994	100,559,565
<u>Current liabilities</u>		
Trade and other payables	1,797,075,326	1,432,772,579
Accrued mark-up	2,791	10,634
Provision for taxation - net	32,569,167	21,768,977
Short term borrowings - secured	11,298,295	1,875,013
	1,840,945,579	1,456,427,203
	6,887,125,069	5,225,593,617
Contingencies and commitments	5	

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.

AS AT 31 MARCH 2016

	Un-Audited 31 March 2016	Audited 30 June 2015
Note	-----Rupees-----	
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	6 2,132,428,922	1,742,245,896
Intangibles	5,520,675	1,489,071
Long term deposits	7,443,325	7,430,825
	<u>2,145,392,922</u>	<u>1,751,165,792</u>
<i>Current assets</i>		
Stores, spare parts and loose tools	55,802,494	41,505,418
Stock in trade	1,843,041,264	1,389,867,596
Trade debts	531,571,810	280,770,732
Loans and advances - considered good	58,803,000	41,485,927
Deposits and prepayments	98,287,811	78,201,585
Other receivables	7,291,947	2,629,658
Short term investments	7 1,817,065,678	857,925,094
Cash and bank balances	329,868,143	782,041,815
	<u>4,741,732,147</u>	<u>3,474,427,825</u>
	<u><u>6,887,125,069</u></u>	<u><u>5,225,593,617</u></u>

 CEO

**CONDENSED INTERIM CONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Nine months period ended		Three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rupees			
<i>Note</i>				
Revenue - net	8 9,337,846,490	3,658,714,472	2,904,840,681	1,592,555,880
Cost of sales	9 (5,530,639,598)	(1,940,409,355)	(1,754,940,561)	(879,959,062)
Gross profit	3,807,206,892	1,718,305,117	1,149,900,120	712,596,818
Administrative expenses	(202,267,618)	(159,078,677)	(66,307,211)	(50,330,259)
Selling and distribution expenses	(859,125,972)	(667,496,359)	(338,430,557)	(215,670,523)
Finance cost	(9,145,282)	(14,290,387)	(2,687,794)	(1,969,275)
Other expenses	(256,291,430)	(73,705,696)	(92,883,037)	(34,646,610)
Other income	101,864,914	51,990,302	38,014,479	15,005,732
Profit before taxation	2,582,241,504	855,724,300	687,606,000	424,985,883
Taxation	(536,675,833)	(248,047,328)	(167,597,681)	(119,287,688)
Profit after taxation	2,045,565,671	607,676,972	520,008,319	305,698,195
Attributable to:				
Owners of the Company	2,016,404,116	578,466,909	515,125,620	293,033,991
Non-controlling interests	29,161,555	29,210,063	4,882,699	12,664,204
	2,045,565,671	607,676,972	520,008,319	305,698,195
Earnings per share - basic and diluted	66.80	19.16	17.06	9.71

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.

Director

CEO

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Nine months period ended		Three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	-----Rupees-----			
Profit after taxation	2,045,565,671	607,676,972	520,008,319	305,698,195
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>2,045,565,671</u>	<u>607,676,972</u>	<u>520,008,319</u>	<u>305,698,195</u>
Attributable to:				
Owners of the Company	2,016,404,116	578,466,909	515,125,620	293,033,991
Non-controlling interests	29,161,555	29,210,063	4,882,699	12,664,204
	<u>2,045,565,671</u>	<u>607,676,972</u>	<u>520,008,319</u>	<u>305,698,195</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.

 Director

 CEO

**CONDENSED INTERIM CONSOLIDATED
 CASH FLOW STATEMENT (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	31 March 2016	31 March 2015
	-----Rupees-----	
<u>Cash flow from operating activities</u>		
Profit before taxation	2,582,241,504	855,724,300
<u>Adjustments for:</u>		
Depreciation	168,818,055	145,386,163
Amortisation	1,132,513	540,716
Gain on sale of property, plant and equipment	(8,977,122)	(7,398,034)
Finance costs	9,145,282	14,290,387
Gain on re-measurement of short term investments to fair value	(44,420,425)	(23,834,562)
Gain on sale of short term investments	-	(12,310,036)
Profit on term deposits	(8,145,534)	-
Provision for Workers' Profit Participation Fund	139,374,121	46,296,017
Provision for Workers' Welfare Fund	52,962,166	17,592,487
Provision for Central Research Fund	28,156,388	9,352,731
	338,045,444	189,915,869
Cash generated from operations before working capital changes	2,920,286,948	1,045,640,169
<u>Effect on cash flow due to working capital changes</u>		
<u>Increase in current assets</u>		
Stores, spare parts and loose tools	(14,297,076)	(7,328,667)
Advances, deposits, prepayments and other receivables	(42,065,588)	(49,711,403)
Stock in trade	(453,173,668)	(248,149,298)
Trade debts - considered good	(250,801,078)	(244,520,778)
	(760,337,410)	(549,710,146)
<u>Increase in current liabilities</u>		
Trade and other payables	227,769,262	177,173,132
Cash generated from operations	2,387,718,800	673,103,155
Taxes paid	(539,757,214)	(214,236,106)
Workers' Profit Participation Fund paid	(77,680,616)	(43,420,316)
Workers' Welfare Fund paid	(17,669,077)	(15,392,486)
Central Research Fund paid	(14,722,485)	(8,183,140)
Long term deposits	(12,500)	327,275
Net cash generated from operating activities	1,737,876,908	392,198,382
<u>Cash flow from investing activities</u>		
Acquisition of property, plant and equipment	(563,110,301)	(222,015,976)
Acquisition of intangibles	(5,164,117)	(543,600)
Proceeds from sale of property, plant and equipment	13,086,342	11,315,199
Profit on term deposits	8,145,534	-
(Acquisition)/Redemption of short term investments - net	(914,720,159)	310,030,238
Net cash (used in) / generated from investing activities	(1,461,762,701)	98,785,861
<u>Cash flow from financing activities</u>		
Finance cost paid	(9,153,125)	(14,290,387)
Dividend paid	(728,558,036)	(274,814,121)
Net cash used in financing activities	(737,711,161)	(289,104,508)
Net (decrease) / increase in cash and cash equivalents	(461,596,954)	201,879,735
Cash and cash equivalents at the beginning of the period	780,166,802	165,359,177
Cash and cash equivalents at the end of the period	318,569,848	367,238,912
Cash and cash equivalents comprise of the following:		
Cash and bank balances	329,868,143	371,952,609
Running finance	(11,298,295)	(4,713,697)
	318,569,848	367,238,912

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.

Director

CEO

**CONDENSED INTERIM CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Share capital	Capital reserve	Accumulated profit	Total	Non-controlling interest	Total
Rupees						
Balance as at 30 June 2014 - audited	301,868,410	321,843	2,289,472,502	2,591,662,755	98,750,513	2,690,413,268
Total comprehensive income						
Profit for the nine months period ended 31 March 2015	-	-	578,466,909	578,466,909	29,210,063	607,676,972
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	578,466,909	578,466,909	29,210,063	607,676,972
Surplus transferred to accumulated profit:						
- on account of incremental depreciation charged during the period - net of tax	-	-	7,133,469	7,133,469	723,079	7,856,548
- on account of disposal of fixed assets during the period - net of tax	-	-	(80,527)	(80,527)	-	(80,527)
	-	-	7,052,942	7,052,942	723,079	7,776,021
Transactions with owners of the company:						
- Final dividend for the year ended 30 June 2014 at Rs. 9 per share	-	-	(271,681,569)	(271,681,569)	-	(271,681,569)
- Interim dividend for the year ended 30 June 2015 at Rs. 4 per share	-	-	(120,747,364)	(120,747,364)	-	(120,747,364)
	-	-	(392,428,933)	(392,428,933)	-	(392,428,933)
Balance as at 31 March 2015- un-audited	301,868,410	321,843	2,482,563,420	2,784,753,673	128,683,655	2,913,437,328
Balance as at 30 June 2015 - audited	301,868,410	321,843	2,811,333,056	3,113,523,309	138,654,363	3,252,177,672
Total comprehensive income						
Profit for the nine months period ended 31 March 2016	-	-	2,016,404,116	2,016,404,116	29,161,555	2,045,565,671
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	2,016,404,116	2,016,404,116	29,161,555	2,045,565,671
Surplus transferred to accumulated profit:						
- on account of incremental depreciation charged during the period - net of tax	-	-	7,239,938	7,239,938	733,872	7,973,810
- on account of disposal of fixed assets during the period - net of tax	-	-	-	-	-	-
	-	-	7,239,938	7,239,938	733,872	7,973,810
Transactions with owners of the Company:						
- Final dividend for the year ended 30 June 2015 at Rs. 15 per share	-	-	(452,802,614)	(452,802,614)	-	(452,802,614)
- Interim dividend for the year ended 30 June 2016 at Rs. 10 per share	-	-	(301,868,410)	(301,868,410)	-	(301,868,410)
	-	-	(754,671,024)	(754,671,024)	-	(754,671,024)
Balance as at 31 March 2016 - un-audited	301,868,410	321,843	4,080,306,086	4,382,496,339	168,549,790	4,551,046,129

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.

Director

CEO

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

1 The Group and its operation

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

BF Biosciences Limited is an 80% owned subsidiary of the Holding Company and was incorporated as an unquoted public limited company under the Companies Ordinance, 1984 on 24 February 2006. BF Biosciences Limited has been set up for establishing a biotech pharmaceutical plant to manufacture cancer and hepatitis related medicines.

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

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 Basis of accounting

3.1.1 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Group, as at 31 March 2016 and the related condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

3.1.2 This condensed interim consolidated financial information is presented in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3.1.3 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 financial statements of the Group as at and for the year ended 30 June 2015.

3.1.4 Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from un-audited

condensed interim consolidated financial information for the nine months period ended on 31 March 2016.

- 3.1.5** The condensed interim consolidated financial information is un-audited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3.2 Statement of consistency in accounting policies

- 3.2.1** Except for note 3.2.2 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 consolidated financial statements for the year ended 30 June 2015. The Group has adopted IFRS 13 'Fair Value Measurement' during the year which became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' are disclosed in note 3.2.2 and 11.2 to these condensed interim consolidated financial information.

- 3.2.2** During the year the Group has adopted IFRS 13 'Fair Value Measurement' which became effective for the financial periods beginning on or after 1 January 2015. IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair values as the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments Disclosures. As a result, the Group has included the additional disclosure in this regard in note 11.2 to the financial statements. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change has no such significant impacts on the measurements of the Group's financial assets and liabilities.

- 3.2.3** 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.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016:

Standard or interpretation	“Effective date (accounting periods beginning on or after)”
IAS 19 - Employee Benefits	01 January 2016
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property, Plant and Equipment	01 January 2016
IAS 41 - Agriculture	01 January 2016
IFRS 10 - Consolidated Financial Statements	01 January 2016
IAS 28 - Investments in Associates and Joint Ventures	01 January 2016
IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	01 January 2016
IFRS 7 - Financial Instruments- Disclosures	01 January 2016
IAS 27 - Separate Financial Statements	01 January 2016
IAS 34 - Interim Financial Reporting	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2016

	Un-Audited 31 March 2016	Audited 30 June 2015
	-----Rupees-----	
4 Issued, subscribed and paid up capital		
1,441,952 (30 June 2015: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (30 June 2015: 119,600) ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	1,196,000	1,196,000
28,625,289 (30 June 2015: 28,625,289) ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>286,252,890</u>	<u>286,252,890</u>
	<u>301,868,410</u>	<u>301,868,410</u>
5 Contingencies and commitments		
<u>Contingencies:</u>		
Furthermore, there is no significant change in contingencies already disclosed in preceding annual published statement of the Holding Company for the year ended 30 June 2015.		
<u>Commitments</u>		
<u>Letter of credits</u>		
Out of the aggregate facility of Rs. 925 million (30 June 2015: Rs. 750 million) for opening letters of credit, the amount utilized by the Group as at 31 March 2016 for capital expenditure was Rs. 150.78 million (30 June 2015 : Rs. 188.75 million) and for other than capital expenditure was Rs. 47.52 million (30 June 2015: Rs. 63.17 million).		
	Un-Audited 31 March 2016	Audited 30 June 2015
	-----Rupees-----	
6 Property, plant and equipment		
<u>Cost</u>		
Opening balance	2,416,957,048	2,212,067,257
Additions during the period / year	101,890,470	90,813,356
Transfer/adjustment during the period / year	65,389,602	147,422,124
Disposals during the period / year	(22,832,155)	(33,345,689)
Closing balance	2,561,404,965	2,416,957,048
<u>Accumulated depreciation</u>		
Opening balance	846,991,392	678,289,997
Depreciation for the period / year	168,818,055	197,306,158
Relating to disposals	(18,722,935)	(28,604,763)
Closing balance	997,086,512	846,991,392
Operating assets-net book value	<u>564,318,453</u>	<u>1,569,965,656</u>
Capital work in progress	<u>568,110,469</u>	<u>172,280,240</u>
Net book value	<u>2,132,428,922</u>	<u>1,742,245,896</u>

		Un-Audited 31 March 2016	Audited 30 June 2015
	Note	-----Rupees-----	
7	Short term investments		

Loans and receivables

Term deposits with banks - local currency	7.1	525,000,000	841,000,000
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**Investments at fair value through profit or loss
- listed securities**

Held for trading	7.2	1,292,065,678	16,925,094
		<u>1,817,065,678</u>	<u>857,925,094</u>

7.1 The local currency short-term deposits have a maximum maturity period of 30 days, carrying profit 5.54 % (as at 30 June 2015: ranging from 5.92 % to 7.25 %) per annum.

7.2 These investments are 'held for trading':

<u>No. of units</u>		<u>Mutual Funds</u>	<u>Fair value</u>	
<u>Un-audited 31 March 2016</u>	<u>Audited 30 June 2015</u>		<u>Un-audited 31 March 2016</u>	<u>Audited 30 June 2015</u>
			----- Rupees -----	
12,208,459		- MCB- MetroBank- Pakistan Sovereign Fund	685,749,160	-
29,725,331		- ABL Government Securities Fund	316,331,031	-
1,897,812		- HBL Income Fund	208,784,750	-
466,548		- Faysal Bank Savings Growth Fund	50,410,563	-
145,638	145,638	Faysal Money Market Fund	15,337,126	14,715,252
188,885		- MCB Pakistan Stock Market Fund	14,986,098	-
1,174	14,897	HBL Money Market Fund	123,413	1,506,800
32,878		- ABL Cash Fund	343,537	-
-	70,123	ABL Income Fund	-	703,042
			<u>1,292,065,678</u>	<u>16,925,094</u>

	Un-audited		Un-audited	
	Nine months period ended		Three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Note ----- Rupees -----				
8 Revenue - net				
Gross sales				
Local	9,634,897,846	3,730,816,440	3,001,077,173	1,590,618,898
Export	161,369,610	195,964,336	24,250,201	87,775,474
	9,796,267,456	3,926,780,776	3,025,327,374	1,678,394,372
Less:				
Sales returns, discounts and commission	(456,584,406)	(262,997,114)	(119,959,400)	(83,101,380)
Sales tax	(1,836,560)	(5,069,190)	(527,293)	(2,737,112)
	(458,420,966)	(268,066,304)	(120,486,693)	(85,838,492)
	9,337,846,490	3,658,714,472	2,904,840,681	1,592,555,880
9 Cost of sales				
Raw materials consumed	9.1 740,907,283	660,359,995	232,351,668	236,984,169
Other manufacturing expenses	440,157,342	361,589,666	150,647,753	118,387,482
	1,181,064,625	1,021,949,661	382,999,421	355,371,651
<i>Work in progress:</i>				
Opening	44,914,516	97,330,065	119,110,192	126,261,887
Closing	(109,378,366)	(134,898,138)	(109,378,366)	(134,898,138)
	(64,463,850)	(37,568,073)	9,731,826	(8,636,251)
Cost of goods manufactured	1,116,600,775	984,381,588	392,731,247	346,735,400
<i>Finished stock:</i>				
Opening	956,803,313	424,428,669	1,368,311,812	681,091,408
Purchases during the period	4,758,187,952	1,165,165,381	1,294,849,944	485,698,537
Closing	(1,300,952,442)	(633,566,283)	(1,300,952,442)	(633,566,283)
	4,414,038,823	956,027,767	1,362,209,314	533,223,662
	5,530,639,598	1,940,409,355	1,754,940,561	879,959,062
9.1 Raw materials consumed				
Opening	365,200,196	337,052,623	322,105,187	375,017,289
Purchases during the period	738,740,105	639,605,873	273,279,499	178,265,381
	1,103,940,301	976,658,496	595,384,686	553,282,670
Closing	(363,033,018)	(316,298,501)	(363,033,018)	(316,298,501)
	740,907,283	660,359,995	232,351,668	236,984,169

10 Transactions with related parties

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

	Un-audited	
	Nine months period ended	
	31 March 2016	31 March 2015
-----Rupees-----		
Other related parties		
Contribution towards employees' provident fund	21,232,783	16,644,158
Remuneration including benefits and perquisites of key management personnel	96,464,052	73,799,258

11 Financial risk management and financial instruments - fair value

11.1 The Group's financial risk management objective and policies are consistent with that disclosed in financial statements for the year ended 30 June 2015.

11.2 Financial instruments - fair value

The additional disclosures due to the adoption of IFRS 13 Fair Value Measurement are as follows:

Note	Carrying Amount (Un-audited)		Total	Fair Value (Un-audited)		
	Fair Value through Income Statement	Loans and receivables		Other financial liabilities	Level 1	Level 2
	1,292,065.678	-	1,292,065.678	1,292,065.678	-	-
	1,292,065.678	-	1,292,065.678	1,292,065.678	-	-
-----Rupees-----						
On-Balance sheet financial instruments						
31 March 2016						
Financial assets measured at fair value:						
Short term investments	1,292,065.678	-	1,292,065.678	1,292,065.678	-	-
	1,292,065.678	-	1,292,065.678	1,292,065.678	-	-
Financial assets not measured at fair value:						
Trade debts - considered good	-	531,571,810	-	531,571,810	-	-
Loans and receivables	-	525,000,000	-	525,000,000	-	-
Cash and bank balances	-	329,868,143	-	329,868,143	-	-
Loans and advances - considered good	-	58,803,000	-	58,803,000	-	-
Deposits	-	86,124,470	-	86,124,470	-	-
Other receivables	-	7,291,947	-	7,291,947	-	-
Long term deposits	-	7,443,325	-	7,443,325	-	-
	-	1,548,102,695	-	1,548,102,695	-	525,000,000
Financial liabilities measured at fair value:						
Financial liabilities not measured at fair value:						
Trade and other payables	-	-	1,691,395,117	1,691,395,117	-	-
Accrued mark-up	-	-	2,791	2,791	-	-
	-	-	1,691,397,908	1,691,397,908	-	-

11.2.1 The Group has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore, their carrying values are reasonable approximation of fair values.

12 Date of authorization

The board of directors of the Holding Company in its meeting held on 21 April 2016 has authorized to issue these condensed interim consolidated financial statements.

13 General

Figures have been rounded off to the nearest rupee.

Director

CEO

YEARS OF TRUST & DEVOTION

50+

A stylized graphic featuring the number '50' in a bold, black, serif font. The '5' and '0' are connected at the bottom. To the right of the '0' is a plus sign '+'. Below the plus sign are two small, black, stylized birds in flight, facing right.

PEOPLE
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MORE THAN FIVE DECADES
OF DEDICATED SERVICE
TO HUMANITY IN PAKISTAN
AND AROUND THE WORLD
IN PHARMACEUTICALS



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