



A BRAND NEW DAY

2021

HALF YEARLY REPORT

ended 30 June

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A BRAND-NEW JOURNEY: MARKING NEW MILESTONES AND TERRITORIES

As a foundation stone of our corporate identity, our logo is the symbolic reflection of our values. On the imagery and the nuances of the new mark: The bright colourful sun at the angle is a bolder and global version. It connotes the highest vibrant transmission of energy to Earth. A deep sense of simplicity, solidity and permanence. Vim and vigour. Our boundless optimism. Culminating the highest peaks. To sum up, our new mark embeds a sense of pride, unity, hope and aspires everyone at Highnoon to outperform.

A BRAND NEW DAY

We are determined every day to enrich life with perseverance, passion, integrity and reliability. As our name connotes the highest vibrant transmission of energy to Earth. We have embarked on a new journey to empower healthcare professionals to improve their patients' lives with new products, health services and social programs that touch millions of lives; with a sense of pride, unity, hope and belonging in all of us.

COMPANY INFORMATION

Board of Directors
Mr. Tausif Ahmad Khan
Chairman

Dr. Adeel Abbas Haideri
Chief Executive Officer

Mr. Ghulam Hussain Khan
Mr. Shazib Masud
Mr. Taufiq Ahmed Khan
Mrs. Zainub Abbas
Mr. Romesh Elapata

Chief Financial Officer
Mr. Ashfaq P. Alidina
Tel : +92 42 3751 1953
Email : ashfaq.alidina@highnoon.com.pk

Company Secretary
Mr. Khadim Hussain Mirza
Tel: +92 42 3751 0036
Email: khadim@highnoon.com.pk

Bankers
Habib Bank Limited
United Bank Limited
J.S. Bank Limited
Allied Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited

Registered, Head office & Plant
17.5 Kilometer Multan Road,
Lahore - 53700, Pakistan
UAN : +92 42 111 000 465
Fax : +92 42 3751 0037
E-mail : info@highnoon.com.pk
Web : www.highnoon-labs.com

Corporate Office
901-9th floor, Tricon Corporate Center
73-E, Jail Road, Lahore
UAN : +92 304 111 0465
PH : +92 42 36407346

Legal Advisor
Raja Muhammad Akram
& Company

Tax Advisor
Yousuf Islam & Associates

Auditors
EY Ford Rhodes
Chartered Accountants

Shares Registrar
Corplink (Pvt.) Ltd.
Wings Arcade,
1-K Commercial,
Model Town, Lahore.
Tel : +92 42 3591 6714, 3591 6719
Fax : +92 42 3586 9637

Audit Committee
Mr. Shazib Masud
Chairman
Mr. Ghulam Hussain Khan
Member
Mrs. Zainub Abbas
Member

Human Resource and
Remuneration Committee
Mr. Shazib Masud
Chairman
Dr. Adeel Abbas Haideri
Member
Mrs. Zainub Abbas
Member

Executive Committee
Dr. Adeel Abbas Haideri Chairman
CEO

Mr. Javed Hussain Member
Group Director Finance

Mr. Ashfaq P. Alidina Member
Chief Financial Officer

Mr. Sajjad Hafeez Butt Member
COO (Technical)

Dr. Saleem Akhtar Member
Group Director
Quality Operations

Mr. Ahmad Raza Member
Group Director
Research & Development

Mr. Azfar Abbas Haideri Member
Director Commercial

Ms. Iram Naila Member
Director
Regulatory Affairs

I.T. Steering Committee
Dr. Adeel Abbas Haideri Chairman
CEO

Mr. Javed Hussain Member
Group Director Finance

Mr. Ashfaq P. Alidina Member
Chief Financial Officer

Mr. Sajjad Hafeez Butt Member
COO (Technical)

Mr. Azfar Abbas Haideri Member
Director Commercial

Directors' Report

Ladies & Gentlemen

The Directors are pleased to present the unaudited condensed interim financial statements of Highnoon Laboratories Limited and consolidated financial statement with wholly owned subsidiary for the half-year ended June 30, 2021.

The Company has once again delivered strong industry-leading performance laying the foundation for future growth. The sales revenue during the period under review crossed Rs. 6 billion compared to Rs. 5 billion in the corresponding period resulting in a growth of 26 percent. The profit after tax for the period grew by 30 percent. The increase was primarily driven by the rise in sales volume of our leading brands, improved performance of new product launches, and developing a competitive edge in manufacturing by deploying cost efficiency and operational excellence programs across the value chain.

On a consolidated basis, the Company achieved a net profit after tax of Rs. 878 million, which translates into earnings per share of Rs. 23.06 for the six months ended June 30, 2021. It is very heartening to note that the subsidiary company products are well established now and are widely prescribed by health care professionals in the anti-infective segment. The sales revenue of the subsidiary company has doubled as per figures reported by IQVIA.

Your Board strongly believes that introduction of innovative products by leveraging technology is crucial for long-term profitable growth. Your Company is continuously making capital investments to expand the existing manufacturing capacities and add new dosage forms to meet this end. Beyond new products, innovation is embedded in your Company's culture that encourages new ideas and process improvements in every aspect of the organization. Enhanced investments are therefore being made in completely overhauling the Quality Control and New Product Development Lab. At the same time, we continue to enhance our system, processes, human capabilities to ensure compliance and meet and exceed stakeholders expectations.

We thank the members of the medical profession, trade, institutions, government & semi-government hospitals, customers and shareholders for their continued trust and support. On behalf of the management, we would also like to thank all the Company employees for their deep commitment towards achieving the Company's objectives.

For & On behalf of the Board

Lahore: 12 August 2021

Taufiq Ahmed Khan
Director

Dr. Adeel Abbas Haideri
Chief Executive Officer

ڈائریکٹرز رپورٹ

معزز خواتین و حضرات

ڈائریکٹرز آپ کی کمپنی اور گروپ کی غیر آڈٹ شدہ مالیاتی رپورٹ بمعہ مالیاتی تجزیہ برائے سہ ماہی اور ششماہ مختتمہ 30 جون 2021 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کمپنی نے ایک بار پھر نمایاں صنعتی کارکردگی پیش کی ہے جو مستقبل کی ترقی کی بنیاد رکھتی ہے۔ زبردست چھ ماہ میں کمپنی کی فروخت کی آمدن 6 بلین روپے رہی جو کہ گزشتہ سال اسی مدت میں 5 بلین روپے تھی اس طرح شرح اضافہ 26 فیصد رہی۔ آمدن فروخت میں اضافہ، پیداواری مراحل کی کارکردگی میں بہتری لانے کے اقدامات پر مرکوز مسلسل توجہ کی بدولت اعداد و اعداد خالص منافع کی شرح 30 فیصد ہو گئی۔ یہ اضافہ بنیادی طور پر ہمارے معروف برانڈز کی فروخت کے حجم میں اضافے، نئی پروڈکٹ متعارف کرنے کی بہتر حکمت عملی، اور ویلیو چین میں لاگت کی کمی اور آپریشنل ایکسی لینس پروگراموں کی تیناتی کی حکمت عملی کے ذریعے مینوفیکچرنگ میں مسابقتی برتری کی وجہ سے ہوا۔

گروپ کا اعداد و اعداد خالص منافع 878 ملین روپے رہا جس کے نتیجے میں فی حصص منافع ششماہ مختتمہ 30 جون 2021 کے لئے 23.06 روپے پر پہنچ گیا ہے۔ یہاں پر یہ بہت خوش آئند بات ہے کہ ذیلی کمپنی کی مصنوعات دوا سازی میں ایک اچھا مقام بنا چکی ہیں اور اینٹی انفیکٹو سیکشن میں صحت کی کچھ بھال کرنے والے پیشہ ورانہ افراد کی طرف سے بڑے پیمانے پر تجویز کی جاتی ہیں۔ IQVIA کے رپورٹ کردہ اعداد و شمار کے مطابق ماتحت کمپنی کی فروخت آمدن دگنی ہو گئی ہے۔

آپ کا بورڈ پختہ یقین رکھتا ہے کہ ٹیکنالوجی سے فائدہ اٹھاتے ہوئے جدید مصنوعات کا تعارف طویل مدتی منافع بخش نمو کے لیے اہم ہے۔ آپ کی کمپنی مینوفیکچرنگ کی صلاحیتوں کو بڑھانے کے لیے مسلسل سرمایہ کاری کر رہی ہے اور اس مقصد کے حصول کے لیے ادویات کے نئے فارم شامل کر رہی ہے۔ نئی مصنوعات سے بہت کچھ، جدت آپ کی کمپنی کی ثقافت میں شامل ہے جو تنظیم کے ہر پہلو میں نئے آئیڈیاز اور عمل کو بہتر بنانے کی حوصلہ افزائی کرتی ہے۔ اس لیے کوالٹی کنٹرول اور نئی پروڈکٹ ڈویلپمنٹ لیبل کو مکمل طور پر جدید بنانے کے لیے مزید سرمایہ کاری کی جارہی ہے۔ اور اس کے ساتھ ہم اپنے نظام، عمل، انسانی صلاحیتوں کو بڑھانے کی طرف بھی توجہ دے رہے ہیں تاکہ تعمیل کو یقینی بنایا جاسکے اور اسٹیک ہولڈرز کی توقعات کو پورا کیا جاسکے۔

ہم طبی پیشہ اور تجارت سے منسلک افراد، سرکاری اور نیم سرکاری ہسپتال، صارفین اور کاروباری شراکاء کے تعاون اور اعتماد کے لئے ان کا شکریہ ادا کرتے ہیں اور انتظامیہ کی طرف سے کارکنان کی لگن، انتھک کاوشوں، سخت محنت پر توجہ سے مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر

توفیق احمد خان
ڈائریکٹر

لاہور: 12 اگست 2021



Un-consolidated Condensed Interim Financial Statements

Highnoon Laboratories Limited
for the Half Year ended 30 June 2021

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Highnoon Laboratories Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Highnoon Laboratories Limited as at 30 June 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Sajjad Hussain Gill.



Chartered Accountants
Lahore: 17th August 2021

Un-Consolidated Condensed Interim Statement of Financial Position

	Un Audited 30 June 2021	Audited 31 December 2020
Note	----- (Rupees) -----	

EQUITY AND LIABILITIES

EQUITY

Share capital and reserves		
Authorized share capital		
50,000,000 (2020: 50,000,000) Ordinary shares of Rs. 10 each	500,000,000	500,000,000

Issued, subscribed and paid up share capital	7	380,764,390	346,149,450
Revenue reserves - Accumulated profit		4,029,318,794	3,726,120,784
Capital reserve - Revaluation surplus on property, plant and equipment		406,922,182	413,928,517
Total Equity		4,817,005,366	4,486,198,751

Non-current liabilities

Lease liabilities		121,198,867	129,565,601
Long term advances		36,513,883	33,266,627
Long term loan - Secured	8	83,122,211	165,409,699
Deferred liabilities		563,017,250	528,330,185
		803,852,211	856,572,112

Current liabilities

Trade and other payables		728,946,591	552,376,172
Unclaimed dividend		103,797,026	44,471,264
Short term borrowings	9	-	-
Current portion of long term liabilities	10	190,206,927	194,540,950
Provision for taxation - net		366,688,978	296,237,162
		1,389,639,522	1,087,625,548

Total Liabilities		2,193,491,733	1,944,197,660
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TOTAL EQUITY AND LIABILITIES		7,010,497,099	6,430,396,411
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CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

As at 30 June 2021

	Un Audited 30 June 2021	Audited 31 December 2020
Note	----- (Rupees) -----	

ASSETS

Non-current assets

Property, plant and equipment	12	1,490,465,631	1,464,057,858
Long term investment		200,000,000	200,000,000
Long term deposits		25,443,429	21,443,429
Long term advances		24,007,926	30,058,266
Deferred tax asset		39,399,590	39,126,098
		1,779,316,576	1,754,685,651

Current assets

Stock in trade	13	1,932,087,994	2,106,010,576
Trade debts	14	661,895,525	322,553,874
Advances		297,797,582	218,481,665
Trade deposits and short term prepayments		54,196,130	45,960,265
Other receivables		41,230,913	36,524,948
Loan to subsidiary		10,000,000	10,000,000
Short term investments		1,557,049,862	1,093,846,453
Tax refunds due from the Government		17,943,377	19,135,488
Cash and cash equivalent	15	658,979,140	823,197,491
		5,231,180,523	4,675,710,760

TOTAL ASSETS		7,010,497,099	6,430,396,411
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Ashfaq P. Alidina
Chief Financial Officer

Un-Consolidated Condensed Interim Statement of Profit or Loss (un-audited) For the Six Months Ended 30 June 2021

	Note	Six Month Period Ended		Three Month Period Ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		----- (Rupees) -----		----- (Rupees) -----	
Revenue from contract with customers- net	16	6,369,964,698	5,056,869,657	3,252,878,543	2,491,263,754
Cost of revenue	17	(3,215,838,665)	(2,601,328,811)	(1,623,080,798)	(1,227,479,986)
Gross profit		3,154,126,033	2,455,540,846	1,629,797,745	1,263,783,768
Distribution, selling and promotional expenses		(1,694,908,924)	(1,306,173,351)	(884,597,449)	(650,409,129)
Administrative and general expenses		(246,815,371)	(204,316,926)	(123,246,409)	(100,060,133)
Research and development expenses		(4,604,407)	(2,749,978)	(2,570,681)	(1,413,948)
Other operating expenses		(110,363,866)	(77,582,427)	(59,875,570)	(41,636,267)
		(2,056,692,568)	(1,590,822,682)	(1,070,290,109)	(793,519,477)
Operating profit		1,097,433,465	864,718,164	559,507,636	470,264,291
Other income	18	73,008,157	40,595,931	42,445,525	25,313,266
Finance costs		(14,803,247)	(8,436,652)	(7,378,873)	(3,823,863)
Profit before taxation		1,155,638,375	896,877,443	594,574,288	491,753,694
Taxation		(305,607,585)	(245,231,170)	(153,567,083)	(127,669,238)
Profit for the period		850,030,790	651,646,273	441,007,205	364,084,456

		Restated		Restated	
Earnings per share - basic and diluted		22.32	17.11	11.58	9.56

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

Un-Consolidated Condensed Interim Statement of Comprehensive Income (un-audited) For the Six Months Ended 30 June 2021

	Six Month Period Ended		Three Month Period Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	850,030,790	651,646,273	441,007,205	364,084,456
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	850,030,790	651,646,273	441,007,205	364,084,456

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

Un-Consolidated Condensed Interim Statement of Cash Flows (un-audited) For the Six Months Ended 30 June 2021

	Six Month Period Ended 30 June	
	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,155,638,375	896,877,443
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	78,774,319	49,908,783
Gain on disposal of property plant and equipment	(7,787,410)	(7,676,260)
Exchange loss - net	3,216,679	2,942,160
Provision for slow moving and obsolete stocks	40,000,647	37,660,707
Provision for defined benefit obligation	40,042,020	40,018,692
Provision for Workers' Profit Participation Fund	61,912,202	47,956,083
Provision for Central Research Fund	12,105,339	9,555,672
Allowance for expected credit losses	12,445,606	-
Finance costs	14,803,247	3,129,189
	255,512,649	183,495,026
Profit before working capital changes	1,411,151,024	1,080,372,469
Working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade	133,921,935	7,990,372
Trade debts	(355,003,936)	(323,963,580)
Advances	(79,315,917)	(47,315,646)
Trade deposits and short term prepayments	(8,235,865)	(12,820,324)
Other receivables	(5,792,699)	(2,573,907)
Tax refund due from the Government	1,192,111	(8,588,105)
Increase / (Decrease) in current liabilities:		
Trade and other payables	117,375,922	(11,099,421)
	(195,858,449)	(398,370,611)
Cash flows from operations	1,215,292,575	682,001,858
Taxes paid	(228,355,056)	(174,351,468)
Gratuity paid	(3,090,271)	(18,567,203)
Finance costs paid	(14,803,247)	(2,889,964)
Central Research Fund paid	(20,833,843)	(14,557,777)
Net cash flows from operating activities	948,210,158	471,635,446

Un-Consolidated Condensed Interim Statement of Cash Flows (un-audited) For the Six Months Ended 30 June 2021

	Six Month Period Ended 30 June	
	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(124,030,070)	(140,882,506)
Additions in long term advances	6,050,340	917,016
Additions in short term investments	(463,203,409)	(429,524,221)
Increase in long term deposits - net	(4,000,000)	(260,808)
Proceeds from disposal of property plant and equipment	26,635,388	26,455,909
Net cash flows used in investing activities	(558,547,751)	(543,294,610)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities - net	(9,411,504)	(5,363,153)
Long term loan (paid) / obtained	(84,070,900)	133,361,198
Long term advances - net	(499,941)	(1,408,084)
Dividend paid	(459,898,413)	(387,916,180)
Net cash flows used in financing activities	(553,880,758)	(261,326,219)
Net decrease in cash and cash equivalents	(164,218,351)	(332,985,383)
Cash and cash equivalents at beginning of the period	823,197,491	858,895,440
Cash and cash equivalents at end of the period	658,979,140	525,910,057

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

Un-Consolidated Condensed Interim Statement of Changes in Equity (un-audited) For the Six Months Ended 30 June 2021

Balance as at 01 January 2020									
Total Comprehensive income for the period ended 30 June 2020	314,681,320	356,356,117	114,000,000	2,656,544,148	2,770,544,148	3,441,561,585			
Surplus transferred to unappropriated profit	-	-	-	651,646,273	651,646,273	651,646,273			
On account of incremental depreciation relating to surplus on revaluation of property plant and equipment - net of tax"	-	(6,211,532)	-	6,211,532	6,211,532	-			
Transaction with owners of the company, recognized directly in equity - Distributions									
Issuance of bonus shares @ 10% for the year ended 31 December 2019	31,468,130	-	-	(31,468,130)	(31,468,130)	-			
Final dividend @ Rs. 13 per share for the year ended 31 December 2019	-	-	-	(409,085,716)	(409,085,716)	(409,085,716)			
Balance as at 30 June 2020	346,149,450	350,124,585	114,000,000	2,873,848,107	2,987,848,107	3,684,122,142			
Balance as at 01 January 2021									
Total Comprehensive income for the period ended 30 June 2021	346,149,450	413,928,517	114,000,000	3,612,120,784	3,726,120,784	4,486,198,751			
Surplus transferred to unappropriated profit	-	-	-	850,030,790	850,030,790	850,030,790			
"On account of incremental depreciation relating to surplus on revaluation of property plant and equipment - net of tax"	-	(7,006,335)	-	7,006,335	7,006,335	-			
Transaction with owners of the company, recognized directly in equity - Distributions									
Issuance of bonus shares @ 10% for the year ended 31 December 2020	34,614,940	-	-	(34,614,940)	(34,614,940)	-			
Final dividend @ Rs. 15 per share for the year ended 31 December 2020	-	-	-	(519,224,175)	(519,224,175)	(519,224,175)			
Balance as at 30 June 2021	380,764,390	406,922,182	114,000,000	3,915,518,794	4,029,518,794	4,817,005,566			

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashtaq P. Alidina
Chief Financial Officer

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (un-audited) For the Six Months Ended 30 June 2021

1 THE COMPANY AND ITS OPERATIONS

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the Companies Act, 2017 ("the Act") and its shares are quoted on Pakistan Stock Exchange since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of the Company and its manufacturing facility is situated at 17.5 KM, Multan Road, Lahore.

2 STATEMENT OF COMPLIANCE

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the Companies Act, 2017 ("the Act") and its shares are quoted on Pakistan Stock Exchange since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of the Company and its manufacturing facility is situated at 17.5 KM, Multan Road, Lahore.

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. These 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 Standard Board (IASB) as notified under the Act; and
- provisions of and directives issued under the Act.

2.2 These unconsolidated condensed interim financial statements are un-audited and are being submitted to shareholders, as required by Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019.

3 BASIS OF PREPARATION

3.1 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2020. The comparative Statement of Financial Position is extracted from the annual financial statements, as of 31 December 2020, whereas the statement of profit or loss, the statement of comprehensive Income, the statement of cash flows and the statement of changes in equity are extracted from the un-audited condensed interim financial statements for the period ended 30 June 2020.

3.2 These condensed interim unconsolidated financial statements are the separate condensed interim unconsolidated financial statements of the Company in which investment in subsidiary Curexa Health (Private) Limited is stated at cost less impairment losses, if any.

3.3 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention and are presented in Pak Rupee, which is also the functional currency of the Company. The figures have been rounded off to the nearest rupees, unless otherwise stated.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company for the year ended 31 December 2020.

5 IMPACT OF COVID-19

On January 31, 2020, the World Health Organization (WHO) announced a global health emergency due to Corona virus. Because of the rapid increase in exposure globally, on March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The National Command and Operation Centre (NCOC), the Government of Pakistan, has from time to time imposed temporary restrictions on movement of people and issued the standard operating procedures (SOPs) for businesses to control the spread of COVID-19. The Company followed the directives and SOPs issued by the NCOC, however, these does not have any negative impact on the Company as the manufacturing plant operations remained broadly unaffected. Accordingly, till date there has been no effects on Company's financial as well as operational results. The management is also not expecting any significant disruptions in the future. The management of the Company, however, continue to evaluate it's effect till the date of authorization of these unconsolidated condensed interim financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended 31 December 2020.

	Note	Un Audited 30 June 2021	Audited 31 December 2020
----- (Rupees) -----			
7. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
5,905,000 (2020: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash		59,050,000	59,050,000
95,000 (2020: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	7.1	950,000	950,000
32,076,390 (2020: 28,614,944) ordinary shares of Rs. 10 each issued as bonus shares		320,764,390	286,149,450
	7.2	380,764,390	346,149,450

7.1 This represents the issuance of shares against the transfer of plant and machinery and other assets.

7.2 Reconciliation of issued, subscribed and paid-up share capital

	Un-audited 30 June 2021 Number	Audited 31 December 2020 Number	Un-audited 30 June 2021 Rupees	Audited 31 December 2020 Rupees
Opening balance	34,614,945	31,468,132	346,149,450	314,681,320
Bonus shares issued	3,461,494	3,146,813	34,614,940	31,468,130
Closing balance	38,076,439	34,614,945	380,764,390	346,149,450

	Note	Un Audited 30 June 2021	Audited 31 December 2020
----- (Rupees) -----			
8. LONG TERM LOAN - SECURED			
Habib Bank Limited	8.1	323,828,530	315,916,434
Add: Unwinding of interest		9,178,362	9,638,122
Less: Payment made during the period / year		(88,011,414)	(1,726,026)
		244,995,478	323,828,530
Less: Current portion		161,873,267	158,418,831
		83,122,211	165,409,699

8.1 This represents loan of Rs. 333 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 400 million and has been availed to finance wages and salaries (excluding bonuses, sales incentives, employee benefit plans, staff retirement benefits, gratuity etc.) of permanent, contractual, daily wagers as well as outsourced employees (collectively the Employees) for months of April to September 2020. It carries mark-up at 3% per annum and is secured against first pari passu equitable mortgage charge of Rs. 266.67 million on fixed assets of the Company including land, building, plant and machinery situated at 17.5KM, Multan Road, Mouza Kanjrah, Lahore and exclusive charge of Rs. 533.34 million over the fixed assets of the Company with 25% margin. Further, the Company has also issued a demand Promissory note amounting to Rs. 342,092,236 in favour of bank. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of three month KIBOR at respective draw down dates. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

9. SHORT TERM BORROWINGS

9.1 The Company has obtained short term running finance facilities having aggregate sanctioned limit of Rs. 619 million (2020: Rs. 619 million) from various commercial banks. Out of these facilities, Rs. 465 million is available as sublimit and can interchangeably be utilized for L/C sight/Usance. These facilities carry mark-up at rates ranging from one month KIBOR to three months KIBOR plus 35 to 100 basis points (2020: one month KIBOR to three months KIBOR plus 50 to 100 basis points) per annum.

9.2 The Company has Export Refinance Facility available from various commercial bank under SBP regulations at a subsidized mark up rate of 4% (2020: SBP rate or SBP IERF rate + 1%) per annum having aggregate sanctioned limit of Rs. 545 million (2020: Rs. 150 million).

9.3 The Company also has aggregate sanctioned import credit facilities available from various commercial banks amounting to Rs. 1,800 million (2020: Rs. 1,150 million). Out of these facilities, Rs. 620 million is available as sublimit and can interchangeably be utilized as Running Finance.

9.4 The above mentioned facilities are secured by way of joint pari passu charge for Rs. 1,199.5 million (2020: first pari passu charge of Rs. 633 million) on present and future current assets of the Company.

	Note	Un Audited 30 June 2021	Audited 31 December 2020
10 CURRENT PORTION OF LONG TERM LIABILITIES			
		(Rupees)	
Lease liabilities		16,853,888	17,898,658
Long term advances		5,474,430	9,221,627
Long term loan - Secured		161,873,267	158,418,831
Deferred grant		6,005,342	9,001,834
		190,206,927	194,540,950

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no significant change in the contingencies since the date of preceding annual audited financial statements.

11.2 Commitments

Commitments against irrevocable letters of credit include:

Raw materials	560,078,777	434,422,145
Packing materials	85,799,592	82,632,094
Plant and machinery	1,397,124	10,101,258
	647,275,493	527,155,497

Bank guarantees issued on behalf of the Company aggregate to Rs. 1.60 million (2020: Rs. 1.60 million).

Facilities of letters of guarantee amounting to Rs. 20 million (2020: Rs. 20 million) are available to the Company under charge of stocks and on present and future current assets and property, plant and equipment of the Company.

12 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets:

Owned	(12.1)	1,355,874,905	1,254,814,228
Right of use assets (RoU)	(12.2)	118,448,088	133,914,699
Capital work-in-progress		16,142,638	75,328,931
		1,490,465,631	1,464,057,858

12.1 Operating fixed assets (owned)

Opening book value		1,254,814,228	924,621,069
Add: Additions during the period - cost	(12.1.1)	183,216,363	395,810,720
Revaluation adjustment for the period		-	243,109,260
		183,216,363	638,919,980
Less: Disposals during the period		18,847,978	55,067,162
Depreciation for the period	(12.1.2)	63,307,707	253,659,659
		82,155,685	308,726,821
Closing book value		1,355,874,905	1,254,814,228

	Note	Un Audited 30 June 2021	Audited 31 December 2020
12.1.1 Additions during the period - cost			
		(Rupees)	
Leasehold improvements		30,486,733	-
Plant and machinery		70,236,248	244,412,847
Laboratory equipment		21,822,797	37,806,923
Furniture and fixtures		17,389,489	455,983
Electric and gas appliances		8,177,495	3,698,900
Office equipment		13,660,101	15,165,517
Vehicles		21,443,500	94,270,550
		183,216,363	395,810,720

12.1.2 Disposals during the period

Land - freehold	-	9,900,000
Plant and machinery	-	1,455,243
Laboratory equipment	-	2,009,948
Office equipment	-	2,217,041
Vehicles	18,847,978	39,484,930
	18,847,978	55,067,162

12.2 Right of use assets

Opening book value	133,914,699	67,870,341
Add: Additions during the period - cost	-	93,067,642
	133,914,699	160,937,983
Less: Depreciation for the period	15,466,611	27,023,284
Closing book value	118,448,088	133,914,699

13 STOCK IN TRADE

Raw materials		
In hand	1,006,913,257	925,347,013
In transit	30,124,483	209,719,427
With third party	56,476,754	40,985,951
	1,093,514,494	1,176,052,391
Packing material		
In hand	331,182,434	277,093,218
In transit	15,502,427	10,033,774
With third party	14,115,413	8,006,406
	360,800,274	295,133,398
Work in process	164,255,742	125,940,489
Finished goods		
Trading-in hand	133,378,020	129,687,540
Trading-in transit	35,897,292	31,192,160
Manufactured	194,315,504	392,663,465
	363,590,816	553,543,165
Less: provision for slow moving and obsolete items 13.1	(50,073,332)	(44,658,867)
	1,932,087,994	2,106,010,576

13.1 Provision for slow moving and obsolete items

Opening provision	44,658,867	18,072,076
Charge for the period	40,000,647	41,314,367
Written off during the period	(34,586,181)	(14,727,576)
Closing provision	50,073,332	44,658,867

14 TRADE DEBTS	Note	Un Audited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
Foreign		71,564,014	35,150,306
Local		620,072,195	304,698,646
		691,636,209	339,848,952
Less: allowance for expected credit losses		(29,740,684)	(17,295,078)
		661,895,525	322,553,874

14.1 Allowance for expected credit losses:

Opening balance	17,295,078	8,062,919
Charged during the year	12,445,606	9,232,159
	29,740,684	17,295,078

15 CASH AND CASH EQUIVALENT

Cash and imprest		2,018,781	2,018,781
Balance with banks:			
Current accounts:			
-Local currency		39,273,983	63,994,807
-Foreign currency		10,232,396	23,730,151
Saving accounts	(15.1)	431,347,542	557,073,909
Term deposit receipts	(15.2)	176,106,438	176,379,843
		656,960,359	821,178,710
		658,979,140	823,197,491

15.1 These carry profit at the rate of ranging from 5.65%-5.76% (2020: 12.07% - 5.75%).

15.2 These represent investments in term deposit receipts which carry profit at the rate of 5% - 10.5% (2020: 6.7% - 13.5%) with the maturity of 3 months.

16 REVENUE FROM CONTRACTS WITH CUSTOMER - NET

16.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers

		Un-audited			
		Six Month Period Ended		Three Month Period Ended	
Note		30 June		30 June	
		2021	2020	2021	2020
		----- (Rupees) -----		----- (Rupees) -----	
Trading and Manufactured products:					
Local	16.2	6,122,296,989	4,801,135,498	3,157,641,993	2,316,911,155
Export		291,943,489	226,868,548	125,517,995	146,161,553
		6,414,240,478	5,028,004,046	3,283,159,988	2,463,072,708
Toll manufacturing		185,919,935	141,940,826	99,133,628	75,391,475
		6,600,160,413	5,169,944,872	3,382,293,616	2,538,464,183
Less: Discount		196,932,990	93,585,624	113,443,602	34,663,798
Sales tax		33,262,725	19,489,591	15,971,471	12,536,631
		230,195,715	113,075,215	129,415,073	47,200,429
		6,369,964,698	5,056,869,657	3,252,878,543	2,491,263,754

16.2 These include trading sales amounting to Rs. 1,183 million. (2020: RS. 665 million).

16.2 Geographical information

Sales to external customers - net

	Un-audited	
	Six Month Period Ended 30 June	
	2021	2020
	----- (Rupees) -----	
Pakistan	6,078,021,209	4,830,001,117
Afghanistan	186,248,561	130,005,591
United Arab Emirates	46,414,872	40,101,648
France	32,186,145	32,833,878
Kenya	15,128,885	12,293,002
Cambodia	4,428,887	8,572,390
Tanzania	3,914,213	-
Tajikistan	1,998,195	-
Mauritius	937,710	2,861,331
Other	686,021	200,699
Total revenue from contracts with customers	6,369,964,698	5,056,869,656
Timing of revenue recognition		
Goods transferred at a point in time	6,369,964,698	5,056,869,656

17 COST OF REVENUE

Manufactured pharmaceutical products:

	Un-audited			
	Six Month Period Ended 30 June		Three Month Period Ended 30 June	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
Opening stock of finished goods	553,543,165	598,961,145	480,249,657	716,490,384
Cost of goods manufactured	2,246,345,609	2,029,041,672	1,178,696,825	952,245,622
	2,799,888,774	2,628,002,817	1,658,946,482	1,668,736,006
Closing stock of finished goods	(363,590,816)	(509,391,849)	(363,590,816)	(509,391,849)
Cost of sales - manufactured	2,436,297,958	2,118,610,968	1,295,355,666	1,159,344,157
Cost of sales - purchased products	779,540,707	482,717,843	327,725,132	68,135,829
	3,215,838,665	2,601,328,811	1,623,080,798	1,227,479,986

18 OTHER INCOME

Income from financial assets:

Return on deposits	9,031,128	19,268,308
Profit on Term Deposit Receipts	6,317,061	6,535,870
Dividend Income on short term investment	44,846,429	4,328,292
Unrealized gain on re-measurement of short term investment to fair value	4,112,940	895,079
Interest on loan to subsidiary	422,555	737,079

Income from non-financial assets:

Gain on disposal of property plant and equipment	7,787,410	7,676,260
Scrap sales	490,634	1,155,043
	73,008,157	40,595,931

19 RELATED PARTY TRANSACTIONS

The related parties comprise Associated companies, Staff retirement funds, Directors and key management personnel. Transactions with related parties are as stated below:

	Un-audited			
	Six Month Period Ended 30 June		Three Month Period Ended 30 June	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
19.1 Purchase of goods				
Route 2 health (Pvt) Ltd -Associate	361,256,295	264,925,142	170,113,913	72,889,318
Curexa Health (Pvt) Ltd -Subsidiary	257,405,451	142,360,566	131,045,369	59,569,373
19.2 Contribution towards employees' benefits fund:				
Staff provident fund	28,164,853	23,315,426	16,662,266	11,812,839
Employees' welfare trust	1,732,745	1,561,850	955,895	785,000
19.3 Remuneration				
Chief Executive Officer	16,067,171	13,198,145	8,402,721	6,724,950
Executives	250,057,537	201,719,152	115,664,596	92,418,202

19.4 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of balance	Un Audited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
Route 2 health (Pvt) Ltd -associate	Creditors	464,000	-
Staff provident fund	Contribution payable	10,953,920	9,737,634
Employees' welfare trust	Contribution payable	771,904	751,613
Curexa Health Private Limited - subsidiary	Creditors	1,727,545	918,994

20 FINANCIAL RISK MANAGEMENT

20.1 Financial risk factors

There is no change in the company's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2020.

20.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Accordingly, detailed disclosure with reference to fair value has not been given in the unconsolidated condensed interim financial statements.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 30 June 2021, the Company held the following financial instruments carried at fair value on the statement of financial position:

Financial assets measured at fair value	Un Audited 30 June 2021	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Fair value through profit and loss:				
Investment in Mutual funds	1,557,049,862	1,557,049,862	-	-
Fair value through profit and loss:	Audited 31 December 2020	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Investment in Mutual fund	1,093,846,453	1,093,846,453	-	-

There were no financial liabilities measured at fair value as at 30 June 2021.

- During the six month period ended 30 June 2021, there were no transfers between different levels of fair value measurements.

- There were no financial liabilities measured at fair value as at 31 December 2020.

Un-audited 30 June 2021		
Fair value through profit and loss	Amortized cost	Total

----- (Rupees) -----

20.3 Financial instruments by categories

Financial assets as per statement of financial position:

Long term Investment	-	200,000,000	200,000,000
Long term deposits	-	25,443,429	25,443,429
Advance against salaries	-	43,609,425	43,609,425
Trade debts	-	661,895,525	661,895,525
Trade deposits	-	26,679,875	26,679,875
Other receivables	-	41,230,913	41,230,913
Short term investments	1,457,049,862	100,000,000	1,557,049,862
Cash and cash equivalent	-	658,979,140	658,979,140
	1,457,049,862	1,757,838,307	3,214,888,169

Un-audited
30 June 2021

Financial Liabilities
at amortized cost

---- (Rupees) ----

Financial liabilities as per statement of financial position:

Lease liabilities	138,052,755
Long term loan	244,995,478
Trade and other payables	609,250,382
Unclaimed dividends	103,797,026
	1,096,095,641

Audited 31 December 2020		
Fair value through profit and loss	Amortized cost	Total

----- (Rupees) -----

Financial assets as per statement of financial position:

Long term Investment	-	200,000,000	200,000,000
Long term deposits	-	21,443,429	21,443,429
Advances	-	33,368,658	33,368,658
Trade debts	-	322,553,874	322,553,874
Trade deposits	-	28,763,605	28,763,605
Other receivables	-	36,524,948	36,524,948
Short term investment	1,093,846,453	-	1,093,846,453
Cash and cash equivalent	-	823,197,491	823,197,491
	1,093,846,453	1,465,852,005	2,559,698,458

Audited
31 December 2020

Financial Liabilities
at amortized cost

---- (Rupees) ----

Financial liabilities as per statement of financial position:

Lease liabilities	147,464,259
Long term loan	323,828,530
Trade and other payables	433,515,424
Unclaimed dividends	44,471,264
	949,279,477

21 DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated condensed interim financial statements for issuance on 12 August 2021.

22 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified where necessary for the purpose of comparison, however no significant re-classification or re-arrangements have been made in these unconsolidated condensed interim financial statements.

23 GENERAL

The figures of unconsolidated condensed interim statement of profit or loss for the three month period ended 30 June 2021 and 2020 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

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Consolidated Condensed Interim Financial Statements

Highnoon Laboratories Limited and its subsidiary
Curexa Health (Private) Limited
for the Half Year ended 30 June 2021

Consolidated Condensed Interim Statement of Financial Position

	Un Audited 30 June 2021	Audited 31 December 2020
Note	----- (Rupees) -----	

EQUITY AND LIABILITIES

EQUITY

Share capital and reserves		
Authorized share capital		
50,000,000 (2020: 50,000,000) Ordinary shares of Rs. 10 each	500,000,000	500,000,000

Issued, subscribed and paid up share capital	6	380,764,390	346,149,450
Revenue reserves		4,117,912,779	3,785,508,559
Revaluation surplus on property, plant and equipment		452,337,148	460,509,721
Total Equity		4,951,014,317	4,592,167,730

Non-current liabilities

Long term loan - secured	7	89,477,794	175,437,704
Lease liabilities		121,198,867	129,565,601
Long term advances		39,618,520	35,514,216
Deferred liabilities		573,919,357	528,576,823
		824,214,538	869,094,344

Current liabilities

Trade and other payables		747,878,890	583,375,119
Unclaimed dividend		103,797,026	44,471,264
Mark up accrued		1,886,613	250,749
Short term borrowing	8	24,115,982	32,210,395
Current portion of long term liabilities	9	210,606,370	221,586,450
Provision for taxation - net		369,875,841	298,133,139
		1,458,160,722	1,180,027,116

Total Liabilities		2,282,375,260	2,049,121,460
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TOTAL EQUITY AND LIABILITIES		7,233,389,577	6,641,289,190
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CONTINGENCIES AND COMMITMENTS 10

The annexed notes from 1 to 22 form an integral part of these Condensed Interim Consolidated financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

As at 30 June 2021

	Un Audited 30 June 2021	Audited 31 December 2020
Note	----- (Rupees) -----	

ASSETS

Non-current assets

Property, plant and equipment	11	1,797,791,686	1,778,876,923
Intangible assets		664,761	922,162
Goodwill		834,230	834,230
Long term deposits		32,304,261	21,543,429
Long term advances		24,007,926	30,058,266
Deffered tax asset		39,399,590	28,902,300
		1,895,002,454	1,861,137,310

Current assets

Stock in trade	12	2,020,588,773	2,182,900,364
Trade debts	13	667,721,415	322,553,874
Advances		292,052,553	219,203,696
Trade deposits and short term prepayments		57,079,486	48,301,875
Other receivables		40,808,358	36,333,012
Short term investment		1,557,049,862	1,093,846,453
Tax refunds due from the Government		17,943,377	18,879,456
Cash and cash equivalent	14	685,143,299	858,133,150
		5,338,387,123	4,780,151,880

TOTAL ASSETS		7,233,389,577	6,641,289,190
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Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss (un-audited) For the Six Months Ended 30 June 2021

	Note	Six Month Period Ended		Three Month Period Ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		----- (Rupees) -----		----- (Rupees) -----	
Revenue from contract with customers- net	15	6,369,964,698	5,056,869,657	3,252,878,543	2,491,263,754
Cost of revenue	16	3,155,732,362	2,562,780,117	1,598,207,306	1,216,324,432
Gross profit		3,214,232,336	2,494,089,540	1,654,671,237	1,274,939,322
Distribution, selling and promotional expenses		1,694,908,924	1,306,173,351	884,597,449	650,767,998
Administrative and general expenses		266,335,130	217,626,697	132,296,729	108,982,365
Research and development expenses		4,604,407	2,749,978	2,570,681	1,413,948
Other operating expenses		112,310,576	78,181,604	60,984,997	41,483,321
		2,078,159,037	1,604,731,630	1,080,449,856	802,647,632
Operating profit		1,136,073,299	889,357,910	574,221,381	472,291,690
Other income	17	72,585,602	39,858,852	42,390,460	36,580,430
Finance costs		(18,486,455)	(12,788,920)	(9,107,267)	(10,146,919)
Profit before taxation		1,190,172,446	916,427,842	607,504,574	498,725,201
Taxation		(312,101,684)	(247,286,750)	(156,818,760)	(122,996,186)
Profit for the period		878,070,762	669,141,092	450,685,814	375,729,015

		Restated		Restated	
Earnings per share - basic and diluted		23.06	17.57	11.84	9.87

The annexed notes from 1 to 22 form an integral part of these Condensed Interim Consolidated financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income (un-audited) For the Six Months Ended 30 June 2021

	Six Month Period Ended		Three Month Period Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	----- (Rupees) -----		----- (Rupees) -----	
Profit after tax for the year	878,070,762	669,141,092	450,685,814	375,729,015

Total comprehensive income for the year	878,070,762	669,141,092	450,685,814	375,729,015
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The annexed notes from 1 to 22 form an integral part of these Condensed Interim Consolidated financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (un-audited) For the Six Months Ended 30 June 2021

	Six Month Period Ended 30 June	
	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,190,172,446	916,427,842
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of fixed assets	91,293,499	62,134,266
Amortization of intangible assets	257,401	243,140
Gain on disposal of fixed assets	(7,787,410)	(7,676,260)
Exchange loss - net	3,216,679	2,942,160
Provision for slow moving and obsolete stocks	40,000,647	38,660,706
Provision for defined benefit obligation	40,042,020	40,018,692
Provision for Worker's Profit Participation Fund	63,568,825	48,250,002
Provision for Central Research Fund	12,395,427	9,655,535
Allowance for expected credit losses	12,445,606	-
Finance costs	18,486,455	7,481,457
	273,919,149	201,709,698
Profit before working capital changes	1,464,091,595	1,118,137,540
Working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade	122,310,944	(28,869,109)
Trade debts	(360,829,826)	(323,963,580)
Advances	(72,848,857)	(30,241,329)
Trade deposits and short term prepayments	(8,777,611)	(13,828,644)
Other receivables	(5,370,144)	(2,205,838)
Tax refund due from government	936,079	(16,974,163)
Increase / (Decrease) in current liabilities:		
Trade and other payables	102,609,839	(20,334,726)
	(221,969,576)	(436,417,389)
Cash flows from operations	1,242,122,019	681,720,151
Taxes paid	(232,082,691)	(169,378,322)
Gratuity paid	(3,113,599)	(18,567,203)
Finance cost paid	(16,850,591)	(8,492,612)
Central Research Fund paid	(21,725,303)	(14,852,488)
Net cash flows from operating activities	968,349,835	470,429,526

Consolidated Condensed Interim Statement of Cash Flows (un-audited) For the Six Months Ended 30 June 2021

	Six Month Period Ended 30 June	
	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(129,056,242)	(146,785,080)
Deletions in long term advances	6,050,340	917,016
Additions in short term investment	(463,203,409)	(429,524,221)
Additions in long term deposits-net	(10,760,832)	(260,808)
Proceeds from disposal of operating fixed assets	26,635,388	26,455,909
Net cash flows used in investing activities	(570,334,755)	(549,197,184)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities - net	(9,411,504)	(5,363,153)
Long term loan obtained/ (Re-paid)	(93,957,708)	134,123,105
Short term borrowings-net	(8,094,413)	6,131,624
Dividend paid	(459,898,413)	(387,916,180)
Long term advances	357,107	(1,084,400)
Net cash flows used in financing activities	(571,004,931)	(254,109,004)
Net increase/Decrease in cash and cash equivalents	(172,989,851)	(332,876,662)
Cash and cash equivalents at beginning of the period	858,133,150	859,029,312
Cash and cash equivalents at end of the period	685,143,299	526,152,650

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity (un-audited) For the Six Months Ended 30 June 2021

	Share Capital	Capital Reserves Revaluation Surplus on PPE	General reserve	Revenue reserves Unappropriated profit	Sub total	Total
	(Rupees)					
Balance as at 01 January 2020						
Total comprehensive income for the period	314,681,320	356,356,117	114,000,000	2,662,848,331	2,776,848,331	3,449,865,768
Surplus transferred to unappropriated profit	-	-	-	669,141,092	669,141,092	669,141,092
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	(6,211,552)	-	6,211,532	6,211,532	-
Transaction with owners of the company, recognized directly in equity - Distributions						
Issuance of bonus shares @ 10% for the year ended 31 December 2019	31,468,130	-	-	(31,468,130)	(31,468,130)	-
Final dividend @ Rs. 13 per share for the year ended 31 December 2019	-	-	-	(409,085,716)	(409,085,716)	(409,085,716)
Balance as at 30 June 2020	346,149,450	350,124,585	114,000,000	2,897,647,109	3,011,647,109	3,707,921,144
Balance as at 01 January 2021						
Total comprehensive income for the period	346,149,450	460,509,721	114,000,000	3,671,508,559	3,785,508,559	4,592,167,730
Surplus transferred to unappropriated profit	-	-	-	878,070,762	878,070,762	878,070,762
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	(8,172,573)	-	8,172,573	8,172,573	-
Transaction with owners of the company, recognized directly in equity - Distributions						
Issuance of bonus shares @ 10% for the year ended 31 December 2020	34,614,940	-	-	(34,614,940)	(34,614,940)	-
Final dividend @ Rs. 15 per share for the year ended 31 December 2020	-	-	-	(519,224,175)	(519,224,175)	(519,224,175)
Balance as at 30 June 2021	380,764,390	452,337,148	114,000,000	4,003,912,779	4,117,912,779	4,951,014,317

The annexed notes from 1 to 22 form an integral part of these Consolidated Interim Consolidated Financial statements.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashtaq P. Alidina
Chief Financial Officer

Selected Notes to the Consolidated Condensed Interim Financial Statements (un-audited) For the Six Months Ended 30 June 2021

1 THE COMPANY AND ITS OPERATIONS

The Highnoon Group ("the Group") comprises of Highnoon Laboratories Limited ("HNL") ("the Holding Company") and Curexa Health (Private) Limited (formerly Procef Laboratories (Private) Limited ("CHL") ("the Subsidiary Company").

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the Companies Act, 2017 ("the Act") and its shares are quoted on Pakistan Stock Exchange since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of the Company is situated at 17.5 KM, Multan Road, Lahore.

The Subsidiary Company was incorporated with the principle object to carry on business as manufacturer, importer and dealers of all kinds of pharmaceutical.

2 STATEMENT OF COMPLIANCE

2.1 These consolidated 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 Standard Board (IASB) as notified under the Act; and
- provisions of and directives issued under the Act.

Where provisions and directives issued under the Act differ from the IAS, the provisions and directives issued under the Act have been followed.

2.2 These consolidated condensed interim financial statements are un-audited and are being submitted to shareholders, as required by Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019.

3 BASIS OF PREPARATION

3.1 These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2020. The comparative Statement of Financial Position is extracted from the annual financial statements, as of 31 December 2020, whereas the consolidated Statement of Profit or Loss, the consolidated Statement of Comprehensive Income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements for the period ended 30 June 2020.

3.2 These consolidated condensed interim financial statements have been prepared under the historical cost convention and are presented in Pak Rupee, which is also the functional currency of the Group. The figures have been rounded off to the nearest rupees, unless otherwise stated.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company for the year ended 31 December 2020.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company for the year ended 31 December 2020.

4.1 Impact of Covid -19

On January 31, 2020, the World Health Organization (WHO) announced a global health emergency due to Corona virus. Because of the rapid increase in exposure globally, on March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The National Command and Operation Centre (NCOC), the Government of Pakistan, has from time to time imposed temporary restrictions on movement of people and issued the standard operating procedures (SOPs) for businesses to control the spread of COVID-19. The Company followed the directives and SOPs issued by the NCOC, however, these does not have any negative impact on the Company as the manufacturing plant operations remained broadly unaffected. Accordingly, till date there has been no effects on Company's financial as well as operational results. The management is also not expecting any significant disruptions in the future. The management of the Company, however, continue to evaluate its effect till the date of authorization of these unconsolidated condensed interim financial statements.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Group for the year ended 31 December 2020.

	Note	Un Audited 30 June 2021	Audited 31 December 2020
----- (Rupees) -----			
6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
5,905,000 (2020: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash		59,050,000	59,050,000
95,000 (2020: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	6.1	950,000	950,000
32,076,439 (2020: 28,614,945) ordinary shares of Rs. 10 each issued as bonus shares		320,764,390	286,149,450
	6.2	380,764,390	346,149,450

6.1 This represents the issuance of shares against the transfer of plant and machinery and other assets.

6.2 Reconciliation of issued, subscribed and paid-up share capital

	Un-audited 30 June 2021 Number	Audited 31 December 2020 Number	Un-audited 30 June 2021 Rupees	Audited 31 December 2020 Rupees
Issued, subscribed and paid-up of Rs.10 each as at 01 January	34,614,945	31,468,132	346,149,450	314,681,320
Issuance of bonus shares of Rs. 10 each	3,461,494	3,146,813	34,614,940	31,468,130
Issued, subscribed and paid-up of Rs.10 each as at 30 June	38,076,439	34,614,945	380,764,390	346,149,450

7. LONG TERM LOAN

	Un Audited 30 June 2021	Audited 31 December 2020
----- (Rupees) -----		
Long term loan	350,583,556	355,127,563
Add: Unwinding of interest	9,178,362	10,702,338
Less: Payment made during the period / year	(88,011,414)	(5,768,272)
	271,750,504	360,061,629
Less: Current portion	182,272,710	184,623,925
	89,477,794	175,437,704

7.1 This represents loan of Rs. 361.46 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 429 million and is availed to finance wages and salaries (excluding bonuses, sales incentives, employee benefit plans, staff retirement benefits, gratuity etc.) of permanent, contractual, daily wagers as well as outsourced employees (collectively the Employees) for months of April to September 2020. It carries mark-up at 3% per annum and is secured against first pari passu equitable mortgage charge of Rs. 266.67 million on fixed assets of the parent including land, building, plant and machinery situated at 17.5KM, Multan Road, Mouza Kanjrah, Lahore, exclusive charge of Rs. 533.34 million over the operating fixed assets of the Parent with 25% margin and first charge over land, building and plant and machinery of the Subsidiary amounting to Rs. 130 million with 20% margin. Further, the Group has also issued a demand Promissory note amounting to Rs. 342,092,236 in favour of bank. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3M KIBOR at respective draw down dates. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

7.2 This includes loan availed against the demand finance facility having limit of Rs. 95 million, for purchase of machinery and equipment of cephalosporin manufacturing plant. This loan is repayable in 20 equal quarterly installments over the term of five years, with mark-up payable quarterly at the rate of 1 month KIBOR plus 1.5% (2019: 1 month KIBOR plus 1.5%) per annum on the outstanding amount of loan. This loan has been secured against first Pari passu charge over plant and machinery to be imported and land and building, located at 517 Sundar Industrial Estate, Raiwind Road, Lahore owned by the Subsidiary having covered area of 12,356 square meters.

8. SHORT TERM BORROWINGS	<u>24,115,982</u>	<u>32,210,395</u>
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8.1 The Group has obtained short term running finance facilities having aggregate sanctioned limit of Rs. 699 million (2020: Rs. 619 million) from various commercial banks. Out of these facilities, Rs. 465 million is available as sublimit and can interchangeably be utilized for L/C sight/Usance. These facilities carry mark-up at rates ranging from one month KIBOR to three months KIBOR plus 50 to 200 basis points (2020: one month KIBOR to three months KIBOR plus 50 to 200 basis points) per annum.

8.2 The Group has Export Refinance Facility available from various commercial bank under SBP regulations at a subsidized mark up rate of 4% (2020: SBP rate or SBP IERF rate + 1%) per annum having aggregate sanctioned limit of Rs. 545 million (2020: Rs. 150 million).

8.3 The Group also has aggregate sanctioned import credit facilities available from various commercial banks amounting to Rs. 1,800 million (2020: Rs. 1,150 million). Out of these facilities, Rs. 620 million is available as sublimit and can interchangeably be utilized as Running Finance.

The above mentioned facilities are secured by way of joint pari pasu hypothecation charge for Rs. 1,199.5 million (2020: first pari pasu charge of Rs. 633 million) on present and future current assets of the group with 20% margin.

	Un Audited 30 June 2021	Audited 31 December 2020
	----- (Rupees) -----	
9. CURRENT PORTION OF LONG TERM LIABILITIES		
Long term lease liabilities	16,853,888	17,898,658
Long term advances	5,474,430	9,221,627
Long term loan	182,272,710	184,623,925
Deferred grant	6,005,342	9,842,240
	210,606,370	221,586,450

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no significant change in the contingencies since the date of preceding published consolidated annual audited financial statements for the year ended December 31, 2020.

10.2 Commitments:

Commitments against irrevocable letters of credit include:

Raw materials	560,078,777	452,162,145
Packing materials	85,799,592	82,632,094
Plant and machinery	1,397,124	10,101,258
	647,275,493	544,895,497

Rentals under ijarah agreements:

Not later than one year	309,534	1,268,633
Later than one year but not later than five years	-	44,628
	309,534	1,313,261

11. PROPERTY, PLANT AND EQUIPMENT

	Note	Un Audited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
Operating fixed assets:			
-Owned	11.1	1,663,200,960	1,556,392,096
-Right of use assets (RoU)	11.2	118,448,088	133,914,700
Capital work-in-progress		16,142,638	88,570,127
		1,797,791,686	1,778,876,923

	Note	Un Audited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
11.1 Operating fixed assets (owned)			
Opening book value		1,556,392,096	1,188,571,084
Add: Additions during the period - cost	1.1.1	201,483,731	404,889,513
Revaluation adjustment for the year		201,483,731	306,369,279
		201,483,731	711,258,792
Less: Disposals during the period NBV	1.1.2	18,847,978	133,969,530
Depreciation during the period		75,826,885	209,468,250
		94,674,863	343,437,780
Book value at the end of the period		1,663,200,960	1,556,392,096

11.1.1 Additions during the period - cost

Leasehold improvements	30,486,733	-
Building on free hold land	1,198,478	1,389,425
Plant and machinery	85,760,281	249,504,321
Laboratory equipment	22,678,067	38,096,923
Furniture and fixtures	17,462,804	1,066,028
Electric and gas appliances	8,253,544	3,698,900
Office equipment	14,200,324	15,508,416
Vehicles	21,443,500	95,625,500
	201,483,731	404,889,513

11.1.2 Disposals during the period

Land - freehold	-	9,900,000
Plant and machinery	-	33,695,663
Laboratory equipment	-	9,980,360
Office equipment	-	15,102,488
Vehicles	18,847,978	65,291,019

11.2 Right of use assets

Opening book value	133,914,699	67,870,341
Add: Additions during the period - cost	-	93,067,642
	133,914,699	160,937,983
Less: Transfers to owned assets during the period	-	-
Depreciation during the period	15,466,611	27,023,283
	15,466,611	27,023,283
Book value at the end of the period	118,448,088	133,914,700

12 STOCK IN TRADE

	Un Audited 30 June 2021	Audited 31 December 2020
Raw materials		
In hand	1,048,582,458	967,435,860
In transit	45,456,593	211,553,806
With third party	43,977,695	40,985,951
	1,138,016,746	1,219,975,617
Packing material		
In hand	370,567,892	312,307,209
In transit	15,502,427	10,033,774
With third party	8,236,333	8,006,406
	394,306,652	330,347,389
Work in process	189,397,911	148,824,622
Finished goods		
Trading-in hand	132,944,922	131,479,668
Trading-in transit	35,897,292	31,192,160
Manufactured	194,315,504	370,449,711
	363,157,718	533,121,539
Less: provision for slow moving and obsolete items 12.1	(57,405,895)	(49,368,803)
	2,027,473,132	2,182,900,364

12.1 Provision for slow moving and obsolete items

Opening provision	49,368,803	19,200,772
Charge for the period	42,623,273	45,873,380
Written off during the period	(34,586,181)	(15,705,349)
Closing provision	57,405,895	49,368,803

13 TRADE DEBTS

Note

	Un Audited 30 June 2021	Audited 31 December 2020
Foreign	71,564,014	35,150,306
Local	625,898,085	304,698,646
	697,462,099	339,848,952
Less: allowance for expected credit losses	(29,740,684)	(17,295,078)
	667,721,415	322,553,874

13.1 Allowance for expected credit losses:

Opening balance	17,295,078	8,062,919
Charged during the year	12,445,606	9,232,159
	29,740,684	17,295,078

14 CASH AND BANK BALANCES

Cash and imprest	2,098,767	2,085,466
Balance with banks:		
Current accounts:		
-Local currency	65,358,156	98,863,781
-Foreign currency	10,232,396	23,730,151
Savings accounts	431,347,542	557,073,909
Term deposit receipts	176,106,438	176,379,843
	683,044,532	856,047,684
	685,143,299	858,133,150

14.1 These carry profit at the rate of ranging from 5.65%-5.76% (2020: 12.07% - 5.75%).

14.2 These represent investments in term deposit receipts which carry profit at the rate of 5% - 10.5% (2020: 6.7% - 13.5%) with the maturity of 3 months.

15 REVENUE FROM CONTRACT WITH CUSTOMERS-net

Trading and Manufactured products:

	Un-audited Six Month Period Ended 30 June		Three Month Period Ended 30 June	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
Local	6,122,296,989	4,801,135,498	3,157,641,993	2,316,911,155
Export	291,943,489	226,868,548	125,517,995	146,161,553
	6,414,240,478	5,028,004,046	3,283,159,988	2,463,072,708
Toll manufacturing	185,919,935	141,940,826	99,133,628	75,391,475
	6,600,160,413	5,169,944,872	3,382,293,616	2,538,464,183
Less: Discount	196,932,990	93,585,624	113,443,602	34,663,798
Sales tax	33,262,725	19,489,591	15,971,471	12,536,631
	230,195,715	113,075,215	129,415,073	47,200,429
	6,369,964,698	5,056,869,657	3,252,878,543	2,491,263,754

15.2 These includes trading sales amounting to Rs. 1,183 million. (2020: RS. 665 million).

15.2 Geographical information

Sales to external customers - net

	Un-audited Six Month Period Ended 30 June	
	2021	2020
	----- (Rupees) -----	
Pakistan	6,078,021,209	4,830,001,117
Afghanistan	186,248,561	130,005,591
United Arab Emirates	46,414,872	40,101,648
France	32,186,145	32,833,878
Kenya	15,128,885	12,293,002
Cambodia	4,428,887	8,572,390
Tanzania	3,914,213	-
Tajikistan	1,998,195	-
Mauritius	937,710	2,861,331
Other	686,021	200,699
Total revenue from contracts with customers	6,369,964,698	5,056,869,657

Timing of revenue recognition

Goods transferred at a point in time	6,369,964,698	5,056,869,657
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16 COST OF REVENUE

Manufactured pharmaceutical products:

	Un-audited Six Month Period Ended 30 June		Three Month Period Ended 30 June	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
Opening stock of finished goods	553,543,165	598,961,145	471,491,075	704,603,989
Cost of goods manufactured	2,476,372,438	2,137,606,706	1,304,141,211	1,001,651,340
	3,029,915,603	2,736,567,851	1,775,632,286	1,706,255,329
Closing stock of finished goods	(354,148,916)	(503,819,416)	(354,148,916)	(503,819,416)
Cost of sales - manufactured	2,675,766,687	2,232,748,435	1,421,483,370	1,202,435,913
Cost of sales - purchased products	479,965,675	330,031,682	176,723,936	13,888,519
	3,155,732,362	2,562,780,117	1,598,207,306	1,216,324,432

17 OTHER INCOME

	Note	Un Audited 30 June 2021	Un Audited 30 June 2020
		----- (Rupees) -----	
Income from financial assets:			
Return on deposits		9,031,128	19,268,308
Profit on Term Deposit Receipts		6,317,061	6,535,870
Dividend Income on short term investment		44,846,429	4,328,292
Unrealized gain on re-measurement of short term investment to fair value		4,112,940	895,079
Income from non-financial assets:			
Gain on disposal of property plant and equipment		7,787,410	7,676,260
Scrap sales		490,634	1,155,043
		72,585,602	39,858,852

18 RELATED PARTY TRANSACTIONS

The related parties comprise associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties are as stated below:

	Un-audited			
	Six Month Period Ended 30 June		Three Month Period Ended 30 June	
	2021	2020	2021	2020
	----- (Rupees) -----		----- (Rupees) -----	
18.1 Purchase of goods				
Route 2 health (Pvt) Ltd -Associate	361,256,295	264,925,142	170,113,913	72,889,318
18.2 Contribution towards employees' benefits fund:				
Staff provident fund	29,625,670	24,229,424	15,058,981	12,726,837
Employees' welfare trust	1,732,745	1,561,850	874,726	785,000
18.3 Remuneration				
Chief Executive Officer	16,067,171	16,547,912	9,495,586	9,976,327
Directors	9,584,943	4,666,233	4,122,625	2,566,232
Executives	250,057,537	234,900,805	148,441,199	129,799,817

18.4 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of balance	Un Audited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
Route 2 health (Pvt) Ltd -associate	Creditors	464,000	-
Staff provident fund	Contribution payable	11,486,203	10,565,972
Employees' welfare trust	Contribution payable	771,904	751,613

19 FINANCIAL RISK MANAGEMENT

19.1 Financial risk factors

There is no change in the company's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2020.

19.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Accordingly, detailed disclosure with reference to fair value has not been given in the unconsolidated condensed interim financial statements.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 30 June 2021, the Group held the following financial instruments carried at fair value on the statement of financial position:

	Un Audited 30 June 2021	Level 1	Level 2	Level 3
Financial assets measured at fair value				
	----- (Rupees) -----			
Fair value through profit and loss:				
Investment in Mutual funds	1,557,049,862	1,557,049,862	-	-
	Audited 31 December 2020	Level 1	Level 2	Level 3
Fair value through profit and loss:				
	----- (Rupees) -----			
Investment in Mutual fund	1,093,846,453	1,093,846,453	-	-

There were no financial liabilities measured at fair value as at 30 June 2021.

- During the six month period ended 30 June 2021, there were no transfers between different levels of fair value measurements.

- There were no financial liabilities measured at fair value as at 31 December 2020.

Un-audited 30 June 2021		
Fair value through profit and loss	Amortized cost	Total

----- (Rupees) -----

19.3 Financial instruments by categories

Financial assets as per statement of financial position:

Long term deposits	-	32,304,261	32,304,261
Advances-salaries	-	43,690,289	43,690,289
Trade debts	-	667,721,415	667,721,415
Trade deposits	-	29,085,550	29,085,550
Other receivables	-	40,808,358	40,808,358
Short term investments	1,457,049,862	100,000,000	1,557,049,862
Cash and cash equivalent	-	685,143,299	685,143,299
	1,457,049,862	1,598,753,172	3,055,803,034

Un-audited
30 June 2021

Financial Liabilities
at amortized cost

---- (Rupees) ----

Financial liabilities as per statement of financial position:

Long term lease liabilities	138,052,755
Long term loan	271,750,504
Markup accrued on secured loans	1,886,613
Trade and other payables	629,362,741
Unclaimed dividends	103,797,026
	1,144,849,639

Audited 31 December 2020		
Fair value through profit and loss	Amortized cost	Total

----- (Rupees) -----

Financial assets as per statement of financial position:

Long term deposits	-	21,543,429	21,543,429
Advances	-	33,400,522	33,400,522
Trade debts	-	339,848,952	339,848,952
Trade deposits	-	29,734,223	29,734,223
Other receivables	-	36,333,102	36,333,102
Cash and cash equivalents	-	858,133,150	858,133,150
Short Term Investment	1,093,846,453	-	1,093,846,453
	1,093,846,453	1,318,993,378	2,412,839,831

Audited
31 December 2020

Financial Liabilities
at amortized cost

---- (Rupees) ----

Financial liabilities as per statement of financial position:

Long Term Loan	360,061,629
Lease liabilities	147,464,259
Markup accrued on secured loans	250,749
Trade and other payables	462,567,977
Short term borrowings	32,210,395
Unclaimed dividends	44,471,264
	1,047,026,273

20 DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these consolidated condensed interim financial statements for issuance on 12 August 2021.

21 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified where necessary for the purpose of comparison, however no significant re-classification or re-arrangements have been made in these consolidated condensed interim financial statements.

22 GENERAL

Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fund, Defined Benefit Plan and Taxation are estimated and these are subject to final adjustment in the annual audited financial statements.

Figures have been rounded off to the nearest rupee unless otherwise specified.

Dr. Adeel Abbas
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq P. Alidina
Chief Financial Officer

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