



Highnoon

Rising Highnoon

Geared For Another Leap

Un-audited Financial Statements
For the Third Quarter Ended September 30, 2022

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The name Highnoon, exemplifies the purpose to enrich life with perseverance, passion, integrity and reliability.

As a foundation stone of our corporate identity, our logo is the symbolic reflection of our values. On the imagery and 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 belonging in all of us.

Dr. Adeel Abbas
Chief Executive Officer

COMPANY INFORMATION

Board of Directors

Mr. Tausif Ahmad Khan
Chairman

Dr. Adeel Abbas Haideri
Chief Executive Officer

Mrs. Zainub Abbas
Mrs. Nael Najam
Mr. Ghulam Hussain Khan
Mr. Taufiq Ahmed Khan
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

Mrs. Nael Najam
Chairperson

Mrs. Zainub Abbas
Member

Mr. Ghulam Hussain Khan
Member

Human Resource and Remuneration Committee

Mrs. Nael Najam
Chairperson

Mrs. Zainub Abbas
Member

Dr. Adeel Abbas Haideri
Member

Executive Committee

Dr. Adeel Abbas Haideri
Chairman
CEO

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
Chief Commercial Officer

Ms. Iram Naila
Member
Director
Regulatory Affairs

I.T. Steering Committee

Dr. Adeel Abbas Haideri
Chairman
CEO

Mr. Ashfaq P. Alidina
Member
Chief Financial Officer

Mr. Sajjad Hafeez Butt
Member
COO (Technical)

Mr. Azfar Abbas Haideri
Member
Chief Commercial Officer

Mr. Ali Sarwar
Member
Chief Information Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present a brief review of the Company's un-audited Standalone and Consolidated condensed interim financial information for the nine months ended September 30, 2022.

Your Company once again delivered commendable results. Sales revenue of the Company has been Rupees 12.03 billion compared to Rupees 9.58 billion in the corresponding period of last year registering a growth of 25.6%. Despite the inflationary pressure, the Company's gross profit (GP) margin continues to stay at 49.53% mainly due to volumetric increase which was achieved through a well-coordinated marketing drive. The profit after tax for the period grew by 41% amounting to Rupees 1.731 billion.

On a consolidated basis, the Group achieved a net profit after tax of Rs. 1.776 billion resulting in a remarkable growth of 40% as compared to the corresponding period, translating into an earnings per share of Rupees 42.41.

During the period, your Company faced a number of challenges including the frequent changes in dollar -rupee parity, supply chain impediments and most of all the economic meltdown due to the devastating floods in the country. Despite the economic turmoil, we were able to maintain our growth momentum and deliver such amazing results.

We thank the members of the medical profession, customers and shareholders for their continued trust & support. On behalf of the management, we would also like to thank all the Company employees for their commitment towards achieving the Company's objectives and exceptional contribution at all levels.

For & On behalf of the Board



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director

Lahore: October 27, 2022

ڈائریکٹرز رپورٹ

ڈائریکٹرز کمپنی کی 30 ستمبر 2022 کو ختم ہونے والی نو ماہی کے غیر پڑتال شدہ مختصر عبوری، انفرادی اور مجموعی مالیاتی گوشواروں کا جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔


آپ کی کمپنی نے ایک بار پھر قابل ستائش کارکردگی کا مظاہرہ کیا ہے۔ آپ کی کمپنی نے زیر جائزہ مدت کے دوران 12.03 بلین روپے کی خالص آمدن فروخت حاصل کی جبکہ گزشتہ سال کی اسی مدت میں خالص آمدن فروخت 9.58 بلین روپے تھی جو کہ 25.6 فیصد کا اضافہ ظاہر کرتی ہے۔ افراط زر کے دباؤ کے باوجود، کمپنی کا گروس منافع مارجن 49.53 فیصد پر برقرار ہے جس کی بنیادی وجہ مجموعی نمو ہے جو کہ ایک مربوط شمیری کاوش کے ذریعے حاصل کیا گیا تھا۔ بعد از ٹیکس منافع 41% بڑھ کر 1.731 بلین روپے ہو گیا۔

مجموعی طور پر گروپ نے 1.776 بلین روپے بعد از ٹیکس خالص منافع حاصل کیا جس کے نتیجے میں اسی مدت کے مقابلے میں 40% کی غیر معمولی نمو ہوئی۔ فی حصص آمدنی 42.41 روپے ہو گئی۔

اس عرصے کے دوران، آپ کی کمپنی کو متعدد مشکلات کا سامنا کرنا پڑا جن میں ڈالر کے مقابلے میں روپے کی قدر میں مسلسل اتار چڑھاؤ، خام مال کی خریداری میں رکاوٹیں اور سب سے زیادہ ملک میں تباہ کن سیلاب کی وجہ سے معاشی بد حالی شامل ہے۔ معاشی بد حالی کے باوجود، ہم اپنی نمو کی رفتار کو برقرار رکھنے اور بہترین نتائج حاصل کرنے میں کامیاب رہے۔

ہم اپنے حصص یافتگان، ماہرین طب، صارفین اور تمام کاروباری شراکت داروں کی مسلسل سرپرستی اور اپنے تمام ملازمین اور انتظامیہ کی پرعزم کوششوں کا پورے کی جانب سے تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر

لاہور: اکتوبر 27, 2022

Condensed Interim Un-Consolidated Financial Statements

Highnoon Laboratories Limited
For the Third Quarter Ended September 30, 2022



Un-Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

	Un Audited September 30 2022	Audited December 31 2021
Note	----- (Rupees) -----	
EQUITY AND LIABILITIES		
EQUITY		
Share capital and reserves		
Authorized share capital		
50,000,000 (2021: 50,000,000) Ordinary shares of Rs.10 each	500,000,000	500,000,000
Share capital		
Issued, subscribed and paid up share capital	418,840,820	380,764,390
Capital reserve		
Revaluation surplus on property, plant and equipment	382,198,625	391,326,324
Revenue reserves	5,931,507,064	4,990,531,928
Total equity	6,732,546,509	5,762,622,642
LIABILITIES		
Non-current liabilities		
Lease liabilities	106,303,620	119,757,647
Long-term advances	25,296,563	10,240,467
Long-term loan - secured	22,403,704	-
Deferred liabilities	538,353,344	546,646,832
	692,357,230	676,644,946
Current liabilities		
Trade and other payables	1,647,909,127	1,067,415,142
Contract liabilities	13,555,278	33,248,835
Unclaimed dividend	162,419,610	64,336,749
Short term borrowings - secured	287,401,962	-
Current portion of long-term liabilities	100,348,191	230,887,155
Provision for taxation - net	272,219,011	204,917,828
	2,483,853,178	1,600,805,709
Total liabilities	3,176,210,408	2,277,450,655
TOTAL EQUITY AND LIABILITIES	9,908,756,917	8,040,073,297
CONTINGENCIES AND COMMITMENTS		
	8	

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Un-Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

		Un Audited September 30 2022	Audited December 31 2021
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,951,993,748	1,516,180,602
Intangible assets		41,874,455	21,189,000
Long-term investment		200,000,000	200,000,000
Long-term deposits		27,170,629	11,443,429
Long-term advances		27,779,735	34,787,298
Deferred tax assets		61,662,377	53,586,728
		2,310,480,945	1,837,187,057
Current assets			
Stock in trade	10	2,665,062,075	2,315,936,343
Trade receivables	11	1,722,178,221	582,342,125
Advances		538,757,063	316,746,105
Trade deposits and prepayments		81,547,803	50,014,922
Other receivables		29,438,232	26,860,159
Loan to subsidiary		10,000,000	10,000,000
Short-term investment		1,569,550,954	2,059,740,193
Tax refunds due from the Government		342,303,907	29,197,207
Cash and bank balances	12	639,437,716	812,049,186
		7,598,275,972	6,202,886,240
TOTAL ASSETS		9,908,756,917	8,040,073,297



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

For the Nine Months Ended September 30, 2022

		Nine Months Period Ended		Three Months Period Ended	
		September 30	September 30	September 30	September 30
Note		2022	2021	2022	2021
------(Rupees)-----					
Revenue from contract with customers- net	13	12,032,128,903	9,579,542,055	4,191,864,619	3,209,577,357
Cost of revenue	14	(6,073,016,136)	(4,830,388,545)	(2,149,860,892)	(1,614,549,880)
Gross Profit		5,959,112,768	4,749,153,510	2,042,003,727	1,595,027,477
Distribution, selling and promotional expenses		(3,024,320,329)	(2,588,825,376)	(987,965,576)	(893,916,452)
Administrative and general expenses		(483,913,262)	(412,276,696)	(162,993,402)	(165,461,325)
Research and development expenses		(7,100,550)	(6,692,184)	(1,777,421)	(2,087,777)
Other operating expenses		(262,864,757)	(148,522,155)	(88,162,332)	(38,158,289)
		(3,778,198,897)	(3,156,316,411)	(1,240,898,731)	(1,099,623,843)
Operating profit		2,180,913,871	1,592,837,099	801,104,996	495,403,634
Other income		223,687,187	114,284,214	83,090,604	41,276,057
Finance costs		(32,083,598)	(17,166,428)	(16,873,922)	(2,363,181)
Profit before taxation		2,372,517,460	1,689,954,885	867,321,678	534,316,510
Taxation		(641,064,814)	(462,823,212)	(205,507,704)	(157,215,627)
Profit for the period		1,731,452,646	1,227,131,673	661,813,974	377,100,883
		Restated		Restated	
Earnings per share - basic and diluted		41.34	29.30	15.80	9.00

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
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 Nine Months Ended September 30, 2022

	Nine Months Period Ended		Three Months Period Ended	
	September 30	September 30	September 30	September 30
	2022	2021	2022	2021
----- (Rupees) -----				
Profit for the period	1,731,452,646	1,227,131,673	661,813,974	377,100,883
Other comprehensive income				
- Items that will be reclassified to P&L	-	-	-	-
- Items that will not be reclassified to P&L	-	-	-	-
Total comprehensive income for the period	1,731,452,646	1,227,131,673	661,813,974	377,100,883

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Un-Consolidated Condensed Interim Statement of Cash Flow (Un Audited)

For the Nine Months Ended September 30, 2022

	September 30 2022	September 31 2021
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,372,517,460	1,689,954,885
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	136,382,793	122,567,291
Amortization	2,353,602	-
Gain on disposal of property plant and equipment	(1,785,430)	-
Exchange loss - net	33,989,700	2,251,101
Provision for slow moving and obsolete stocks	68,464,618	40,000,647
Provision for defined benefit obligation	52,475,276	57,369,228
Provision for Workers' Profit Participation Fund	127,555,687	91,517,187
Provision for Central Research Fund	25,677,748	18,321,012
Allowance for expected credit losses	253,876	-
Finance costs	32,083,598	17,166,428
	479,236,897	349,192,894
Profit before working capital changes	2,849,968,928	2,039,147,779
(Increase) / decrease in current assets:		
Stock in trade	(417,590,350)	179,141,460
Trade debts	(1,193,773,228)	(574,995,648)
Advances	(222,010,958)	(139,846,802)
Trade deposits and short term prepayments	(31,532,881)	(9,876,828)
Other receivables	(2,578,073)	15,234,977
Tax refund due from the Government	(313,106,700)	654,458
Increase / (Decrease) in current liabilities:		
Trade and other payables	453,012,486	162,892,239
	(1,727,579,705)	(366,796,144)
Cash flows from operations	1,122,389,222	1,672,351,635
Income taxes paid	(581,839,280)	(496,491,619)
Gratuity paid	(60,768,764)	(13,381,456)
Finance costs paid	(32,083,598)	(17,166,428)
Central Research Fund paid	(25,751,936)	(20,833,843)
	(700,443,579)	(547,873,346)
Net cash flows from operating activities	A 421,945,644	1,124,478,289

Un-Consolidated Condensed Interim Statement of Cash Flow (Un Audited)

For the Nine Months Ended September 30, 2022

	Note	September 30 2022	September 31 2021
------(Rupees)-----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(573,653,409)	(193,880,700)
Additions in Intangible assets		(23,039,057)	
Additions in long term advances		7,007,563	(498,947)
Additions in short term investments		490,189,239	(517,165,461)
Increase in long term deposits - net		(15,727,200)	(4,000,000)
Proceeds from disposal of property plant and equipment		3,242,900	30,800,405
Net cash flows used in investing activities	B	(111,979,964)	(684,744,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(21,936,570)	(9,285,101)
Long term loan (paid) / obtained		(99,652,717)	(126,070,174)
Long term advances - net		15,056,096	3,383,999
Dividend paid		(663,445,918)	(499,113,261)
Net cash flows used in financing activities	C	(769,979,110)	(631,084,537)
Net decrease in cash and cash equivalents (A+B+C)		(460,013,430)	(191,350,951)
Cash and cash equivalents at beginning of the period		812,049,186	823,197,491
Cash and cash equivalents at end of the period		352,035,756	631,846,540

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Un Audited)

For the Nine Months Ended September 30, 2022

Share capital	Capital Reserves	Revenue reserves			Total
	Revaluation Surplus	General reserve	Unappropriated profit	Sub total	
----- Rupees -----					

Balance as at 1st January 2021

346,149,450	413,928,517	114,000,000	3,612,120,784	3,726,120,784	4,486,198,751
-	-	-	1,227,131,673	1,227,131,673	1,227,131,673

Total comprehensive income for the period ended September 30, 2021

Surplus transferred to unappropriated profit

-	(9,237,622)	-	9,237,622	9,237,622	-
---	-------------	---	-----------	-----------	---

On account of incremental depreciation relating to surplus

on revaluation of operating fixed assets - net of tax

Transaction with owners of the company, recognized directly

in equity - Distributions

34,614,940	-	-	(34,614,940)	(34,614,940)	-
-	-	-	(519,224,175)	(519,224,175)	(519,224,175)
380,764,390	404,690,895	114,000,000	4,294,650,964	4,408,650,964	5,194,106,249

Balance as at September 30, 2021

Balance as at 1st January 2022

380,764,390	391,326,324	114,000,000	4,876,531,928	4,990,531,928	5,762,622,642
-	-	-	1,731,452,646	1,731,452,646	1,731,452,646

Total comprehensive income for the period ended September 30, 2022

Surplus transferred to unappropriated profit

On account of incremental depreciation relating to surplus on

revaluation of property plant and equipment - net of tax

Transaction with owners of the company, recognized directly in equity

- Distributions


38,076,430	-	-	(38,076,430)	(38,076,430)	-
-	-	-	(761,528,779)	(761,528,779)	(761,528,779)
418,840,820	382,198,625	114,000,000	5,817,507,064	5,931,507,064	6,732,546,509

Balance as at September 30, 2022

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

1. THE COMPANY AND ITS OPERATIONS

Hignoon 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

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
- Provision and directives issued under the Act.

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

3. BASIS OF PREPARATION

3.1 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2021. The comparative Statement of Financial Position is extracted from the annual financial statements, as of 31 December 2021, 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 September 2021.

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 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.

3.4 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.

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

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 2021.

5 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 2021.

	Note	Un Audited September 30 2022	Audited December 31 2021
		------(Rupees) -----	
6. LONG-TERM LOAN - SECURED			
Habib Bank Limited	6.1	41,535,574	164,758,957
MCB Bank Limited	6.2	26,300,000	-
		67,835,574	164,758,957
Less: Current portion	6.1 & 6.2	(45,431,870)	(164,758,957)
		22,403,704	-
6.1 Habib Bank Limited			
Balance as at 01 January		164,758,957	323,828,530
Unwinding of loan		4,807,593	15,720,381
Payment during the period/year		(128,030,976)	(174,789,954)
Balance as at 30 September / 31 December		41,535,574	164,758,957
Less: Current portion		(41,535,574)	(164,758,957)
		-	-

- 6.1.1** 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 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 SBP rate plus 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 the effective interest

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

rate of 3 Months 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.

	Note	Un Audited	Audited
		September 30	December 31
		2022	2021
		------(Rupees) -----	
6.2 MCB Bank Limited			
Balance as at 01 January		-	-
Received during the period/year		26,300,000	-
Balance as at 30 September / 31 December		-	-
		26,300,000	-
Less: Current portion		(3,896,296)	-
		22,403,704	-

- 6.2.1** This represents loan obtained under Renewable Energy Scheme offered by State Bank of Pakistan. The facility has an aggregate sanctioned limit of Rs. 50 million to finance against capital expenditure for renewable energy Equipment. It carries mark-up at 2.5% per annum and is secured against Lien on investment / funds of PKR 67 million placed in MCB-Arif Habib Saving and Investment Limited (25% margin of limit - Margin to be net off Zakat & WHT, If applicable). Principal amount is repayable on quarterly basis after 3 months of Grace period and markup is repayable on quarterly basis. Facility tenure is 7 years and 3 months of grace period.

7 CURRENT PORTION OF LONG-TERM LIABILITIES

Lease liabilities		21,265,165	29,747,708
Long term advances		33,461,971	33,461,971
Long term loan - Secured	6	45,431,870	164,758,957
Deferred grant		189,185	2,918,519
		100,348,191	230,887,155

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

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

8.2 Commitments

Commitments against irrevocable letters of credit include:

Letter of contracts		840,179,040	269,338,321
Bank contracts		619,245,308	689,036,351
Capital expenditure		376,000,000	111,100,000
Ijara contract	8.2.1	20,083,528	-
		1,855,507,876	1,069,474,672

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

		Un Audited	Audited
		September 30	December 31
		2022	2021
Note		----- (Rupees) -----	
8.2.1	Contractual Cash Flows for Rentals under Ijarah Agreement:		
	Within one year	1,825,779	-
	After one year but not more than five years	18,257,749	-
	More than five years	-	-
		20,083,528	-
9	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets :		
	Owned	9.1 1,454,016,353	1,376,185,167
	Right of use assets (RoUA)	9.2 102,727,446	126,628,439
		1,556,743,799	1,502,813,606
	Capital work-in-progress	395,249,949	13,366,996
		1,951,993,748	1,516,249,494
9.1	Operating fixed assets : Owned		
	Opening book value	1,376,185,167	1,254,814,228
	Add: Additions during the period - cost	9.1.1 191,770,456	306,619,402
		1,567,955,623	1,561,433,630
	Less: Book value of:		
	Disposals during the period/year	9.1.2 (1,457,470)	(45,230,437)
	Write off during the period/year	-	(68,892)
	Depreciation for the period/year	(112,481,800)	(139,949,134)
		(113,939,270)	(185,248,463)
	Closing book value	1,454,016,353	1,376,185,167
9.1.1	Additions during the period - cost		
	Building on freehold land	27,828,339	1,727,537
	Leasehold improvement	18,917,500	30,486,732
	Plant and machinery	38,120,623	82,759,625
	Laboratory equipment	3,091,949	25,698,548
	Furniture and fixtures	5,274,110	18,957,443
	Electric and gas appliances	4,540,395	11,865,867
	Office equipment	58,761,140	41,722,707
	Vehicles	35,236,400	93,400,943
		191,770,456	306,619,402

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

	Un Audited September 30 2022	Audited December 31 2021
Note	------(Rupees) -----	
9.1.2 Disposals during the period/year		
Plant and machinery	-	16,419,333
Vehicles	-	28,811,104
	-	45,230,437
9.1.3 Write off during the period/year		
Library books	-	1,348
Neon sign	-	41,866
Arms and ammunition	-	25,678
	-	68,892
9.2 Right of use assets (RoUA)		
Opening book value	126,628,439	133,914,699
Add: Additions during the period - cost	-	27,062,194
	126,628,439	160,976,893
Less: Book value of write off during the period/year	-	(3,819,814)
Depreciation for the period/year	(23,900,993)	(30,528,640)
	(23,900,993)	(34,348,454)
Closing book value	102,727,446	126,628,439
10 STOCK IN TRADE		
Raw materials		
In hand	1,385,038,936	1,082,881,247
In transit	85,690,504	162,249,057
With third party	78,544,921	84,793,190
	1,549,274,361	1,329,923,494
Packing material		
In hand	451,387,293	330,609,389
In transit	9,260,051	12,959,510
With third party	-	7,050,343
	460,647,344	350,619,242
Work in process		
Finished goods		
Trading -in hand	229,691,516	136,804,857
Trading -in transit	-	4,081,795
Manufactured	258,375,833	285,673,971
	488,067,349	426,560,623
	2,761,733,861	2,344,143,511
Less: Provision for slow moving and obsolete items	(96,671,786)	(28,207,168)
	2,665,062,075	2,315,936,343

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

		Un Audited	Audited
		September 30	December 31
		2022	2021
		----- (Rupees) -----	
11	TRADE RECEIVABLES	Note	
	Foreign	142,866,863	86,675,859
	Local	1,601,938,041	518,039,073
		1,744,804,904	604,714,932
	Less: allowance for expected credit losses	11.1 (22,626,683)	(22,372,807)
		1,722,178,221	582,342,125

11.1 Allowance for expected credit losses

Opening balance	22,372,807	17,295,078
Charged during the period/year	253,876	10,582,999
Written off during the period/year	-	(5,505,270)
	22,626,683	22,372,807

12 CASH AND BANK BALANCES

Cash and imprest	1,985,458	1,989,458
Balance with banks		
Current accounts		
-Local currency	284,182,245	182,281,706
-Foreign currency	9,777,649	12,234,160
Saving accounts	291,187,061	520,543,862
Term deposit receipts	52,305,304	95,000,000
	637,452,258	810,059,728
	639,437,716	812,049,186

13 REVENUE FROM CONTRACT WITH CUSTOMERS- NET

13.1 Disaggregated Revenue Information

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

	Un-audited			
	Nine Months Period Ended		Three Months Period Ended	
	September 30		September 30	
	2022	2021	2022	2021
------(Rupees) -----				
Trading and Manufactured products:				
Local	11,392,878,227	9,220,998,628	3,895,252,361	3,098,701,639
Export	696,085,845	436,360,018	330,011,917	144,416,529
	12,088,964,072	9,657,358,646	4,225,264,278	3,243,118,168
Toll manufacturing	357,517,825	278,848,910	137,487,851	92,928,975
Less:				
Discount	(345,101,117)	(304,678,139)	(125,348,400)	(107,745,149)
Sales tax	(69,251,877)	(51,987,362)	(45,539,110)	(18,724,637)
	12,032,128,903	9,579,542,055	4,191,864,619	3,209,577,357

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

	Un-audited			
	Nine Months Period Ended		Three Months Period Ended	
	September 30		September 30	
	2022	2021	2022	2021
	------(Rupees)-----			
14 COST OF REVENUE				
Opening stock of goods	426,560,623	553,543,165	298,467,407	363,590,816
Cost of goods manufactured	4,659,205,278	3,415,643,479	1,518,087,220	1,169,297,870
Purchased finish products	1,475,317,583	1,253,432,238	821,373,614	473,891,531
Available stock for sale	6,561,083,484	5,222,618,882	2,637,928,241	2,006,780,217
Closing stock of finished goods	(488,067,349)	(392,230,337)	(488,067,349)	(392,230,337)
Cost of sales	6,073,016,136	4,830,388,545	2,149,860,892	1,614,549,880

15 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:

15.1 Purchase of goods

Route 2 Health (Pvt) Ltd -Associate	694,665,960	581,099,038	209,138,147	219,842,743
Curexa Health (Pvt) Ltd -Subsidiary	623,045,738	457,175,268	254,769,273	199,769,817

15.2 Contribution towards employees' benefits fund:

Staff provident fund	52,224,107	42,499,953	17,810,408	14,335,100
Employees' welfare trust	3,042,854	2,671,706	1,016,800	938,961

15.3 Remuneration of Chief Executive Officer, Directors & Executives

Chief Executive Officer	26,259,918	23,731,621	8,584,481	7,664,450
Executives	491,584,923	386,875,428	172,630,389	136,817,891

Un Audited	Audited
September 30	December 31
2022	2021
------(Rupees)-----	

15.4 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of Balance		
Route 2 Health (Pvt) Ltd -Associate	Advance/(Payable)	71,278,942	(31,268,411)
Curexa Health (Pvt) Ltd -Subsidiary	Advance	63,909,668	2,273,018

16 FINANCIAL RISK MANAGEMENT

16.1 Financial risk factors

There is no change in the group's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2021.

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

16.2 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,

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

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

Un Audited	Audited
September 30	December 31
2022	2021
------(Rupees) -----	

Financial assets measured at fair value

Fair value through profit and loss (FVTPL):

Investment in Mutual funds - (Level 1)	1,569,550,954	2,059,740,193
--	---------------	---------------

There were no financial liabilities measured at fair value as at 30 September 2022 and 31 December 2021. During the nine month period ended 30 September 2022, there were no transfers between different levels of fair value measurements.

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

Un Audited September 30		Audited December 31	
2022		2021	
Amortized cost	Fair value through profit and loss	Amortized cost	Fair value through profit and loss

16.3 Financial instruments by categories

Financial assets as per statement of financial position:

Long-term Investment	200,000,000	-	200,000,000	-
Long-term deposits	27,170,629	-	11,443,429	-
Advances	53,578,036	-	55,184,494	-
Trade debts	1,722,178,221	-	582,342,125	-
Trade deposits	28,411,472	-	27,735,434	-
Other receivables	29,438,232	-	26,860,159	-
Loan to subsidiary	10,000,000	-	10,000,000	-
Cash and short-term deposits	639,437,716	-	812,049,186	-
Short-Term Investments	-	1,569,550,954	-	2,059,740,193
	2,710,214,306	1,569,550,954	1,725,614,827	2,059,740,193

Un Audited September 30, 2022	Audited December 31, 2021
Financial Liabilities at amortized cost	Financial Liabilities at amortized cost
----- (Rupees) -----	

Financial liabilities as per statement of financial position:

Lease liabilities	127,568,785	149,505,355
Long-term Loan	67,835,574	164,758,957
Unclaimed dividend	162,419,610	64,336,749
Trade and other payables	1,585,639,156	931,622,599
Short term borrowings - secured	287,401,962	-
	2,230,865,086	1,310,223,660

17 SEGMENT REPORTING

The chief operating decision maker (i.e. the Board of Directors) considers the whole business as on one operating segment.

Selected notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

18 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 except the following.

Description	Classified from	Classified to	Audited Dec 31, 2021 Rupees
Adjustment related to Workers Welfare Fund (WWF)	Provision for taxation - net	Trade and other payables	90,572,739

19 DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated condensed interim financial statements for issuance on October 27, 2022.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Condensed Interim Consolidated Financial Statements

Highnoon Laboratories Limited and its subsidiary
Curexa Health (Private) Limited
For the Third Quarter Ended September 30, 2022

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

	Un Audited September 30 2022	Audited December 31 2021
Note	----- (Rupees) -----	
EQUITY AND LIABILITIES		
EQUITY		
Share capital and reserves		
Authorized share capital		
50,000,000 (2021: 50,000,000) Ordinary shares of Rs.10 each	500,000,000	500,000,000
Share capital		
Issued, subscribed and paid up share capital	418,840,820	380,764,390
Capital reserve		
Revaluation surplus on property, plant and equipment	426,002,477	436,249,408
Revenue reserves	6,086,898,177	5,099,966,603
Total equity	6,931,741,474	5,916,980,401
LIABILITIES		
Non-current liabilities		
Lease liabilities	106,303,620	119,757,647
Long-term advances	25,296,563	10,240,467
Long-term loan - secured	22,403,704	-
Deferred liabilities	538,353,344	546,646,832
	692,357,230	676,644,946
Current liabilities		
Trade and other payables	1,644,873,769	1,088,685,618
Contract liabilities	13,555,278	33,248,835
Unclaimed dividend	162,419,610	64,336,749
Short term borrowings - secured	343,567,346	46,616,000
Current portion of long-term liabilities	104,116,326	245,186,934
Provision for taxation - net	254,311,049	205,987,552
	2,522,843,377	1,684,061,688
Total liabilities	3,215,200,607	2,360,706,634
TOTAL EQUITY AND LIABILITIES	10,146,942,081	8,277,687,035
CONTINGENCIES AND COMMITMENTS		
	8	

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

	Un Audited September 30	Audited December 31
Note	2022	2021
	------(Rupees)-----	

ASSETS

Non-current assets

Property, plant and equipment	9	2,266,069,025	1,829,680,375
Intangible assets		41,938,498	21,624,882
Goodwill		834,230	834,230
Long-term deposits		27,270,629	11,543,429
Long-term advances		29,848,216	38,094,634
Deferred tax assets		33,669,819	37,246,285
		2,399,630,418	1,939,023,835

Current assets

Stock in trade	10	2,829,252,330	2,438,761,425
Stores and spares		12,142,283	11,663,484
Trade receivables	11	1,722,178,221	582,342,125
Advances		488,822,133	323,925,430
Trade deposits and prepayments		83,544,593	52,606,687
Other receivables		28,402,044	23,751,863
Short-term investment		1,569,550,954	2,059,740,193
Tax refunds due from the Government		373,932,124	28,814,302
Cash and bank balances	12	639,486,980	817,057,691
TOTAL ASSETS		10,146,942,081	8,277,687,035


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

For the Nine Months Ended September 30, 2022

		Restated		Restated
Earnings per share - basic and diluted	42.41	30.29	16.19	9.33

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



10

[Signature]

Consolidated Condensed Interim Statement of Comprehensive Income (Un Audited)

For the Nine Months Ended September 30, 2022

	Nine Months Period Ended		Three Months Period Ended	
	September 30	September 30	September 30	September 30
	2022	2021	2022	2021
------(Rupees)-----				
Profit for the period	1,776,289,852	1,268,843,546	678,029,777	390,772,784
Other comprehensive income				
- Items that will be reclassified to P&L	-	-	-	-
- Items that will not be reclassified to P&L	-	-	-	-
Total comprehensive income for the period	1,776,289,852	1,268,843,546	678,029,777	390,772,784

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un Audited)

For the Nine Months Ended September 30, 2022

	Note	September 30 2022	September 31 2021
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,443,631,626	1,745,602,191
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		163,373,327	141,546,237
Amortization		2,725,441	364,710
Gain on disposal of property plant and equipment		(1,785,430)	(9,641,239)
Exchange loss - net		33,989,700	2,251,101
Provision for slow moving and obsolete stocks		73,733,700	43,323,274
Provision for defined benefit obligation		52,475,276	57,369,228
Provision for Workers' Profit Participation Fund		131,317,438	95,142,464
Provision for Central Research Fund		26,360,270	18,838,909
Allowance for expected credit losses		146,411	-
Finance costs		36,210,942	21,540,625
		518,547,074	370,735,309
Profit before working capital changes		2,962,178,700	2,116,337,500
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		(464,703,404)	170,723,042
Trade debts		(1,193,773,228)	(610,670,087)
Advances		(164,789,238)	(139,162,144)
Trade deposits and short term prepayments		(30,937,906)	(10,396,725)
Other receivables		(4,650,181)	15,410,532
Tax refund due from the Government		(345,117,822)	398,426
Increase / (Decrease) in current liabilities:			
Trade and other payables		424,588,289	146,623,307
Cash flows from operations		1,182,795,209	1,689,263,851
Income taxes paid		(615,441,811)	(504,986,809)
Gratuity paid		(60,768,764)	(13,381,456)
Finance costs paid		(35,956,779)	(20,082,140)
Central Research Fund paid		(26,332,009)	(21,726,281)
		(738,499,364)	(560,176,686)
Net cash flows from operating activities	A	444,295,845	1,129,087,165



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un Audited)

For the Nine Months Ended September 30, 2022

	Note	September 30 2022	September 31 2021
----- (Rupees) -----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(601,219,447)	(200,759,324)
Additions in Intangible assets		(23,039,057)	-
Additions in long term advances		8,246,418	(498,947)
Additions in short term investments		490,189,239	(517,165,461)
Increase in long term deposits - net		(15,727,200)	(10,176,456)
Proceeds from disposal of property plant and equipment		3,242,900	30,800,405
Net cash flows used in investing activities	B	(138,307,147)	(697,799,783)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(21,936,570)	(9,285,101)
Long term loan (paid) / obtained		(110,202,305)	(145,806,843)
Long term advances - net		15,074,040	4,298,599
Dividend paid		(663,445,918)	(499,113,261)
Net cash flows used in financing activities	C	(780,510,754)	(649,906,606)
Net decrease in cash and cash equivalents (A+B+C)		(474,522,056)	(218,619,224)
Cash and cash equivalents at beginning of the period		770,441,691	825,922,755
Cash and cash equivalents at end of the period		295,919,635	607,303,531

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Consolidated Condensed Interim Statement of Changes in Equity (Un Audited)

For the Nine Months Ended September 30, 2022

	Share capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed asset	General reserve	Unappropriated profit	Sub total	
----- Rupees -----						
Balance as at 1st January 2021	346,149,450	460,509,721	114,000,000	3,671,508,559	3,785,508,559	4,592,167,730
Total comprehensive income for the period ended June 30, 2021	-	-	-	1,268,843,546	1,268,843,546	1,268,843,546
Surplus transferred to unappropriated profit						
On account of incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	(10,986,979)	-	10,986,979	10,986,979	-
Transaction with owners of the company, recognized directly in equity - Distributions						
Issuance of bonus shares @ 10% for the year ended December 31, 2020	34,614,940	-	-	(34,614,940)	(34,614,940)	-
Final dividend @ Rs. 15 per share for the year ended December 31, 2020	-	-	-	(519,224,175)	(519,224,175)	(519,224,175)
Balance as at September 30, 2021	380,764,390	449,522,742	114,000,000	4,397,499,969	4,511,499,969	5,341,787,101
Balance as at 1st January 2022						
Total comprehensive income for the period ended September 30, 2021	380,764,390	436,249,408	114,000,000	4,985,966,603	5,099,966,603	5,916,980,401
Surplus transferred to unappropriated profit	-	-	-	1,776,289,852	1,776,289,852	1,776,289,852
On account of incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	(10,246,931)	-	10,246,931	10,246,931	-
Transaction with owners of the company, recognized directly in equity - Distributions						
Issuance of bonus shares @ 10% for the year ended December 31, 2021	38,076,430	-	-	(38,076,430)	(38,076,430)	-
Final dividend @ Rs. 20 per share for the year ended December 31, 2021	-	-	-	(761,528,779)	(761,528,779)	(761,528,779)
Balance as at September 30, 2022	418,840,820	426,002,477	114,000,000	5,972,898,177	6,086,898,177	6,931,741,474

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Notes to the Consolidated Condensed Interim

Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

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

2.1 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").

2.2 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.

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

2.4 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
- Provision 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.

2.5 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 2021. The comparative Statement of Financial Position is extracted from the annual financial statements, as of 31 December 2021, 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 September 2021.

Notes to the Consolidated Condensed Interim

Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

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 2021.

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 2021.

		Un Audited September 30 2022	Audited December 31 2021
	Note	------(Rupees) -----	
6 LONG-TERM LOAN - SECURED			
SBP Payroll Refinancing	6.1	45,089,043	178,615,376
MCB Bank Limited	6.2	26,300,000	-
		71,389,043	178,615,376
Less: Current portion		(48,985,339)	(178,615,376)
		22,403,704	-
6.1 SBP PAYROLL REFINANCING			
Opening balance as at 01 January		178,615,376	347,394,125
Unwinding of loan		5,325,333	17,138,420
Payment during the period/year		(138,851,666)	(185,917,169)
Closing balance as at 30 September / 31 December		45,089,043	(178,615,376)
Less: Current portion		(45,089,043)	(178,615,376)
		-	-

6.1.1 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

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

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. 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 the effective interest rate of 3 Months 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.

	Un Audited	Audited
	September 30	December 31
	2022	2021
Note	------(Rupees) -----	
6.2 MCB Bank Limited		
Balance as at 01 January		
Received during the period/year	26,300,000	-
Balance as at 30 September / 31 December	-	-
	26,300,000	-
	(3,896,296)	-
	22,403,704	-

- 6.2.1** This represents loan obtained under Renewable Energy Scheme offered by State Bank of Pakistan. The facility has an aggregate sanctioned limit of Rs. 50 million to finance against capital expenditure for renewable energy Equipment. It carries mark-up at 2.5% per annum and is secured against Lien on investment / funds of PKR 67 million placed in MCB-Arif Habib Saving and Investment Limited (25% margin of limit - Margin to be net off Zakat & WHT, If applicable). Principal amount is repayable on quarterly basis after 3 months of Grace period and markup is repayable on quarterly basis. Facility tenure is 7 years and 3 months of grace period.

7 CURRENT PORTION OF LONG-TERM LIABILITIES

Lease liabilities	21,265,165	29,747,708
Long term advances	33,676,637	33,658,693
Long term loan - Secured	6 48,985,339	178,615,376
Deferred grant	189,185	3,165,157
	104,116,326	245,186,934

Notes to the Consolidated Condensed Interim

Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

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

		Un Audited September 30 2022	Audited December 31 2021
Note		------(Rupees) -----	
8.2	Commitments		
	Commitments against irrevocable letters of credit include:		
	Letter of contracts	882,466,180	279,838,321
	Bank contracts	619,245,308	689,036,351
	Capital expenditure	377,902,644	115,090,000
	Ijara contract	8.2.1 20,083,528	-
		1,899,697,660	1,083,964,672

8.2.1 Contractual Cash Flows for Rentals under Ijarah Agreement:

Within one year	1,825,779	-
After one year but not more than five years	18,257,749	-
More than five years	-	-
	20,083,528	-

9 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets :			
Owned	9.1	1,758,578,410	1,682,948,599
Right of use assets (RoUA)	9.2	102,727,446	126,628,439
		1,861,305,856	1,809,577,038
Advances - considered good		-	6,388,341
Capital work-in-progres		404,763,169	13,714,996
		2,266,069,025	1,829,680,375

9.1 Operating fixed assets : Owned

Opening book value		1,682,948,599	1,556,392,095
Add: Additions during the period - cost	9.1.1	216,559,615	339,132,173
		1,899,508,214	1,895,524,268
Less: Book value of:			
Disposals during the period/year	9.1.2	(1,457,470)	(46,118,877)
Write off during the period/year		-	(68,892)
Depreciation for the period/year		(139,472,334)	(166,387,900)
		(140,929,804)	(212,575,669)
Closing book value		1,758,578,410	1,682,948,599

Notes to the Consolidated Condensed Interim

Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

	Un Audited September 30 2022	Audited December 31 2021
Note	------(Rupees) -----	
9.1.1 Additions during the period - cost		
Building on freehold land	40,130,088	4,284,665
Leasehold improvement	18,917,500	30,486,732
Plant and machinery	43,492,174	102,726,082
Laboratory equipment	3,577,949	33,819,181
Furniture and fixtures	8,387,788	19,069,212
Electric and gas appliances	5,628,496	11,941,916
Office equipment	59,230,220	42,393,385
Vehicles	37,195,400	94,411,000
	216,559,615	339,132,173
9.1.2 Disposals during the period/year		
Plant and machinery	-	16,419,333
Vehicles	-	29,699,544
	-	46,118,877
9.1.3 Write off during the period/year		
Library books	-	1,348
Neon sign	-	41,866
Arms and ammunition	-	25,678
	-	68,892
9.2 Right of use assets (RoUA)		
Opening book value	126,628,439	133,914,699
Add: Additions during the period - cost	-	27,062,194
	126,628,439	160,976,893
Less: Book value of write off during the period/year	-	(3,819,814)
Depreciation for the period/year	(23,900,993)	(30,528,640)
	(23,900,993)	(34,348,454)
Closing book value	102,727,446	126,628,439

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

10 STOCK IN TRADE

Raw materials		
In hand	1,450,082,979	1,132,542,540
In transit	85,690,504	178,880,881
With third party	78,544,921	84,793,190
	1,614,318,404	1,396,216,611
Packing material		
In hand	516,503,347	378,109,398
In transit	9,260,051	12,959,510
With third party	-	7,050,343
	525,763,398	398,119,251
Work in process	303,368,584	253,045,580
Finished goods		
Trading -in hand	217,852,496	124,702,997
Trading -in transit	-	4,081,795
Manufactured	273,381,016	294,293,059
	491,233,512	423,077,851
	2,934,683,898	2,470,459,293
Less: Provision for slow moving and obsolete items	(105,431,568)	(31,697,868)
	2,829,252,330	2,438,761,425

11 TRADE RECEIVABLES

Foreign		142,866,863	86,675,859
Local		1,601,938,041	518,039,073
		1,744,804,904	604,714,932
Less: allowance for expected credit losses	11.1	(22,626,683)	(22,372,807)
		1,722,178,221	582,342,125

11.1 Allowance for expected credit losses

Opening balance	22,372,807	17,295,078
Charged during the period/year	253,876	10,582,999
Written off during the period/year	-	(5,505,270)
	22,626,683	22,372,807

12 CASH AND BANK BALANCES

Cash and imprest	2,034,722	1,992,946
Balance with banks		
Current accounts		
-Local currency	284,182,245	187,286,723
-Foreign currency	9,777,649	12,234,160
Saving accounts	291,187,061	520,543,862
Term deposit receipts	52,305,304	95,000,000
	637,452,258	815,064,745
	639,486,980	817,057,691

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

13 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

13.1 Disaggregated Revenue Information

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

Note	Un-audited			
	Nine Months Period Ended		Three Months Period Ended	
	September 30		September 30	
	2022	2021	2022	2021
------(Rupees)-----				
Trading and Manufactured products:				
Local	13.1.1 11,380,340,389	9,220,998,628	3,895,252,361	3,098,701,639
Export	696,085,845	436,360,018	330,011,917	144,416,529
	12,076,426,235	9,657,358,646	4,225,264,278	3,243,118,168
Toll manufacturing	357,517,825	278,848,910	137,487,851	92,928,975
Less:				
Discount	(345,101,117)	(304,678,139)	(125,348,400)	(107,745,149)
Sales tax	(56,714,040)	(51,987,362)	(45,539,110)	(18,724,637)
	12,032,128,903	9,579,542,055	4,191,864,619	3,209,577,357

14 COST OF REVENUE

Opening stock of goods	423,077,851	553,543,165	296,113,688	354,148,916
Cost of goods manufactured	5,368,603,257	3,774,930,347	2,303,692,210	1,298,557,909
Purchased finish products	653,943,969	786,934,428	-	306,968,753
Available stock for sale	6,445,625,078	5,115,407,940	2,599,805,898	1,959,675,578
Closing stock of finished goods	(491,233,512)	(377,962,699)	(491,233,512)	(377,962,699)
Cost of sales	5,954,391,566	4,737,445,241	2,108,572,387	1,581,712,879

15 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:

15.1 Purchase of goods

Route 2 health (Pvt) Ltd -Associate	694,665,960	581,099,038	209,138,147	219,842,743
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15.2 Contribution towards employees' benefits fund:

Staff provident fund	54,801,004	44,769,971	18,645,319	15,144,301
Employees' welfare trust	3,042,854	2,671,706	1,016,800	938,961

15.3 Remuneration of Chief Executive Officer, Directors & Executives

Chief Executive Officer	26,259,918	23,731,621	8,584,481	7,664,450
Directors	10,510,137	10,015,459	3,843,904	430,516
Executives	504,985,662	386,875,428	176,180,811	136,817,891

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

Un Audited September 30	Audited December 31
2022	2021
------(Rupees) -----	

15.4 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of Balance		
Route 2 health (Pvt) Ltd -Associate	Advance/(Payable)	71,278,942	(31,268,411)

16 FINANCIAL RISK MANAGEMENT

16.1 Financial risk factors

There is no change in the group's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2021.

16.2 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,

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

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

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

Financial assets measured at fair value	Un Audited September 30	Audited December 31
	2022	2021
------(Rupees) -----		

Fair value through profit and loss (FVTPL):

Investment in Mutual funds - (Level 1)	1,569,550,954	2,059,740,193
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There were no financial liabilities measured at fair value as at 30 September 2022 and 31 December 2021. During the nine month period ended 30 September 2022, there were no transfers between different levels of fair value measurements.

	Un Audited September 30		Audited December 31	
	2022		2021	
	Amortized cost	Fair value through profit and loss	Amortized cost	Fair value through profit and loss
16.3 Financial instruments by categories				
Financial assets as per statement of financial position:				
Long-term deposits	27,270,629	-	11,543,429	-
Advances	5,711,587	-	55,268,858	-
Trade debts	1,722,178,221	-	582,342,125	-
Trade deposits	28,420,846	-	27,744,808	-
Other receivables	28,402,044	-	23,751,863	-
Cash and short-term deposits	639,486,980	-	817,057,691	-
Short-Term Investments	-	1,569,550,954	-	2,059,740,193
	2,451,470,307	1,569,550,954	1,517,708,774	2,059,740,193

Financial liabilities as per statement of

Lease liabilities	127,568,785	-	149,505,355	-
Long-term Loan	71,389,043	-	178,615,376	-
Unclaimed dividend	163,455,798	-	64,336,749	-
Trade and other payables	1,565,283,684	-	973,894,112	-
Short term Borrowings	343,567,346	-	46,616,000	-
	2,271,264,655	-	1,412,967,592	-

17 SEGMENT REPORTING

The chief operating decision maker (i.e. the Board of Directors) considers the whole business as on one operating segment.

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited)

For the Nine Months Ended September 30, 2022

18 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 except the following.

Description	Classified from	Classified to	Audited Dec 31, 2021 Rupees
Adjustment related to Workers Welfare Fund (WWF)	Provision for taxation - net	Trade and other payables	90,572,739

19 DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Group authorized these unconsolidated condensed interim financial statements for issuance on October 27, 2022.

20 GENERAL

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



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer



Highnoon

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