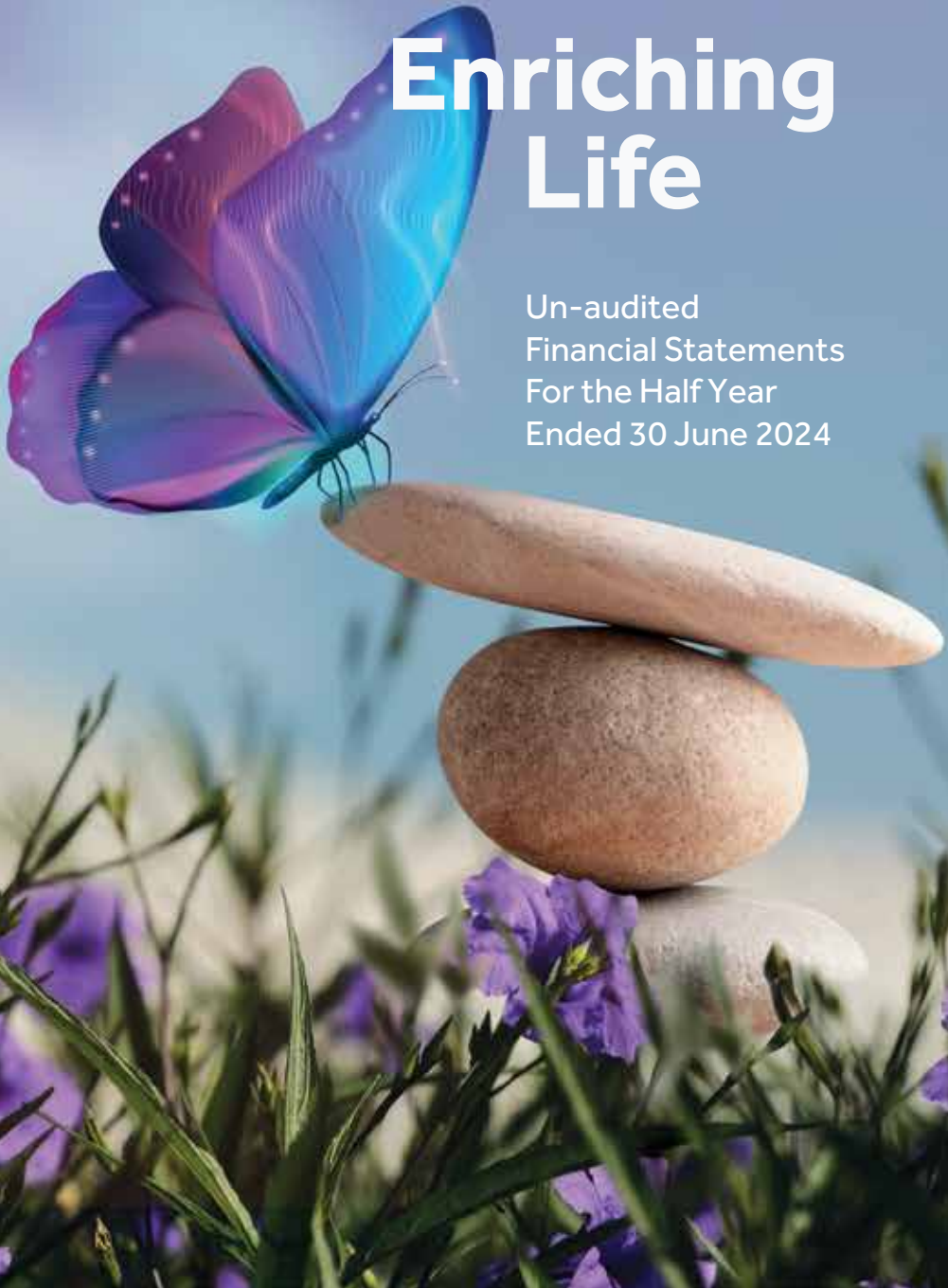




Highnoon

Enriching Life

Un-audited
Financial Statements
For the Half Year
Ended 30 June 2024



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COMPANY INFORMATION

Board of Directors

Mr. Tausif Ahmad Khan
Chairman

Dr. Adeel Abbas Haideri
Chief Executive Officer

Mr. Ghulam Hussain Khan
Director

Mr. Taufiq Ahmed Khan
Director

Mr. Ramesh A.I.Elapata
Director

Mrs. Zainub Abbas
Director

Mr. Tariq Wajid
Director

Chief Financial Officer

Mr. Ashfaq P. Alidina
Tel : +92 42 35158051
Email :
ashfaq.alidina@highnoon.com.pk

Company Secretary

Mr. Baqar Hasan
Tel: +92 300 8455 909
Email: baqar@highnoon.com.pk

Head Internal Auditor

Mr. Hamza Bilal
Tel: +92 42 35158051
Email:
hamza.bilal@highnoon.com.pk

Bankers

Habib Bank Limited
United Bank Limited
J.S. Bank Limited
Allied Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
First Habib Mudaraba
Standard Chartered Bank Limited
Bank Makramah Limited (formerly
Summit Bank Limited)
Bank Alfalah Limited
Mobilink Microfinance Bank Limited
Askari Bank Limited
National Bank of Pakistan Limited

Registered Office and Plant

17.5 Kilometer Multan Road,
Lahore - 53700, Pakistan
UAN : +92 42 111 000 465
Fax : +92 42 3751 0037
E-mail :
corporate.affairs@highnoon.com.pk;
investor.relations@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 35158051 - 2

Legal Advisor

Raja Muhammad Akram & Co.

Tax Advisor

Yousuf Islam & Associates

Auditors

BDO Ebrahim and Co.
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. Tariq Wajid
Chairperson

Mrs. Zainub Abbas
Member

Mr. Ghulam Hussain Khan
Member

Human Resource and Remuneration Committee

Mr. Tariq Wajid
Chairperson

Mrs. Zainub Abbas
Member

Dr. Adeel Abbas Haideri
Member

Executive Committee

Dr. Adeel Abbas Haideri Chairman
Chief Executive Officer

Mr. Ashfaq P. Alidina Member
Chief Financial Officer

Mr. Sajjad Hafeez Butt Member
Chief Operating Officer
(Technical)

Dr. Azfar Abbas Haidrie Member
Chief Commercial Officer

Mr. Zulfiqar Zaidi Member
Director HR and Strategic
Planning

Mr. Shah Nawaz Baig Member
Group Director
Commercial Excellence

I.T. Steering Committee

Dr. Adeel Abbas Haideri Chairperson
Chief Executive Officer

Mr. Ashfaq P. Alidina Member
Chief Financial Officer

Mr. Sajjad Hafeez Member
Chief Operating Officer
(Technical)

Dr. Azfar Abbas Haidrie Member
Chief Commercial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the unaudited condensed interim financial statements of Highnoon Laboratories Limited ("the Company") and consolidated financial statements with its wholly owned subsidiary for the half-year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

The Company generated net sales revenue of Rs. 11,032 million during the period under review as compared to Rs. 9,815 million in the same period last year (SPLY) improved with 12.39% growth, driven by sustained performance of established brands, additions in Billion League Brands and launching of new brands.

Gross profit margin of the Company improved to 48.76% versus 44.96% during the SPLY mainly driven by better sales mix and optimization of overall manufacturing expenses.

Net Profit for the period improved by 24.94% over SPLY. The increase in net profitability is attributable to better working capital management, streamlining processes and income from investments.

We are pleased to report a significant improvement in our earnings per share increasing by Rs. 5.66 compared to the SPLY. This growth reflects our commitment to delivering value to our shareholders.

On a consolidated basis, the Company achieved a net profit after tax of Rupees 1.61 billion showing 32.35% increase as compared to the corresponding period.

FUTURE OUTLOOK

The first half of the year also brought a positive development for the pharmaceutical industry of Pakistan with the adoption of global pharmaceutical practices by Government of Pakistan, allowing for adjustments in the prices of medicines falling under the non-essential medicine list. This will lead to enchantment in quality, efficacy and viability due to the principles of free market competition. However, at the same time, there is a need to develop conducive policies to help pharmaceutical companies locally produce essential raw material of drugs or their components, as well as export, to ensure that our sector maximizes its contribution to the national economy.

Your Board strongly believes in constant focus towards preserving our sales growth and optimizing costs. We are confident that we shall meet our corporate objectives and continue to grow like we have in the past.

On behalf of the Board, we would like to express our sincere gratitude to all stake holders for their continued patronage and to the employees for their dedication and hard work.

For & On behalf of the Board



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director

Lahore: 29 August 2024

ڈائریکٹرز رپورٹ برائے ممبران

ڈائریکٹرز ہائون لیبھارٹریز لمیٹڈ ("کمپنی") اور اس کی مکمل ملکیتی ذیلی کمپنی کے 30 جون 2024 کو ختم ہونے والی نصف سالہ مدت کے غیر آڈٹ شدہ مختصر عبوری مالیاتی بیانات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

مالی کارکردگی

اس مدت کے دوران آپ کی کمپنی نے 11,032 ملین روپے کی خالص فروخت حاصل کی جو کہ پچھلے سال کی اسی مدت میں 9,815 ملین روپے تھی، اس طرح 12.39 فیصد کی نمو حاصل ہوئی جس کی وجہ کلیدی برانڈز کی مستحکم کارکردگی، ملین ایک برانڈز میں اضافے، اور نئی ادویات متعارف کروانا ہے۔

کمپنی کا مجموعی منافع کلارجن 48.76 فیصد تک بہتر ہوا جو کہ گزشتہ سال کی اسی مدت کے دوران 44.96 فیصد تھا، جس کی بڑی وجہ بہتر بیلز مکس اور مجموعی پیداواری اخراجات کی اصلاح تھی۔

اس مدت کے دوران خالص منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 24.94 فیصد بہتری آئی۔ خالص منافع میں اضافے کی وجہ بہتر ورکنگ کیپٹل مینجمنٹ، پیداواری مراحل میں گلاسنگ تیار بہتری، اور سرمایہ کاری سے حاصل ہونے والی آمدنی ہے۔

ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری فیحص آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 5.66 روپے کا نمایاں اضافہ ہوا ہے۔ یہ اضافہ ہمارے شیز ہولڈرز کو قدر فراہم کرنے کے عزم کی عکاسی کرتا ہے۔

مجموعی بنیاد پر، کمپنی نے 1.61 ارب روپے کا بعد از ٹیکس خالص منافع حاصل کیا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 32.35 فیصد اضافہ ظاہر کرتا ہے۔

مستقبل پر ایک نظر

سال کے پہلے نصف حصے میں پاکستان کی دو اس صنعت کے لیے ایک مثبت پیشرفت ہوئی، کیونکہ حکومت پاکستان نے عالمی دواسطریقیوں کو اپنایا، جس کے تحت غیر ضروری ادویات کی فہرست میں شامل دواؤں کی قیمتوں میں تبدیلی کی اجازت دی گئی۔ اس سے آزاد منڈی کے مقابلے کے اصولوں کے تحت ادویات کے معیار، اثر پذیری، اور آراگی پیداوار کے قابل عمل ہونے کے عمل میں بہتری آئے گی۔ تاہم، اس کے ساتھ ساتھ یہ بھی ضروری ہے کہ ایسی سازگار پالیسیوں کو فروغ دیا جائے جو دواسطریکیوں کو ادویات کے بنیادی خانہ مالیاں کے اجزاء کو مقامی طور پر تیار کرنے اور برآمد کرنے میں مدد دیں، تاکہ ہمارا شعبہ قومی معیشت میں زیادہ سے زیادہ حصہ ڈال سکے۔

آپ کا بورڈ اس بات پر محکم یقین رکھتا ہے کہ ہماری فروخت میں اضافے کو برقرار رکھنے اور اخراجات کو کم رکھنے پر مسلسل توجہ مرکوز کی جائے۔ ہمیں یقین ہے کہ ہم اپنی کمپنی کے مقاصد کو پورا کریں گے اور ماضی کی طرح ترقی کرتے رہیں گے۔

بورڈ کی جانب سے، ہم تمام شراکت داروں کے مسلسل تعاون اور ملازمین کی لگن اور محنت کے لیے دلی شکر یہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر



Tel: +92 42 3587 5707-10
 Fax: +92 42 3571 7351
 www.bdo.com.pk

Office No. 4, 6th Floor,
 Asahi Corporate Towers,
 75/76 D-1, Main Boulevard
 Gulberg III, Lahore-54660
 Pakistan.

INDEPENDENT AUDITORS' 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** ("the Company") as at June 30, 2024 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 (herein-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended June 30, 2024 and June 30, 2023 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The unconsolidated condensed interim financial statements for the half year ended June 30, 2023 and unconsolidated annual financial statements for the year ended December 31, 2023 of Highnoon Laboratories Limited were reviewed and audited by another firm of chartered accountants who have expressed an unqualified conclusion and opinion thereon vide their reports dated August 15, 2023 and April 08, 2024 respectively.

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

Lahore

DATED: 29 August 2024

UDIN: RR202410087KplwA6z4t

BDO Ebrahim & Co.
BDO EBRAHIM & CO.
 CHARTERED ACCOUNTANTS
BDO


A close-up photograph of a person's hand holding a pen over a white calculator on a desk. Several gold coins are scattered around the calculator. The background is blurred, showing a desk with papers and a laptop. An orange semi-transparent box is overlaid on the top half of the image, containing white text.


Condensed Interim Un-Consolidated Financial Statements


Highnoon Laboratories Limited
for the Six Months ended 30 June 2024

Condensed Interim Un-Consolidated Statement of Financial Position As at 30 June 2024 (Un Audited)

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,596,782,760	3,516,225,615
Intangible assets		30,056,223	32,285,579
Long-term investment		200,000,000	200,000,000
Long-term deposits		24,290,429	23,943,429
Loan to employees		62,908,718	56,230,067
		3,914,038,130	3,828,684,690
Current assets			
Stock in trade	6	3,610,914,041	4,713,751,445
Trade receivables	7	2,612,203,473	2,120,418,793
Advances, trade deposits and prepayments		1,255,521,842	575,539,494
Other receivables		19,576,057	15,143,343
Loan to subsidiary		-	10,000,000
Short-term investment	8	1,900,365,346	2,168,794,002
Tax refunds due from the Government		200,307,424	389,161,753
Cash and bank balances	9	496,827,637	204,337,732
		10,095,715,819	10,197,146,562
TOTAL ASSETS		14,009,753,949	14,025,831,252


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Condensed Interim Un-Consolidated Statement of Financial Position As at 30 June 2024 (Un Audited)

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 (December 31, 2023: 100,000,000)			
Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	10	529,833,630	529,833,630
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax		878,395,619	899,339,441
Revenue reserves			
Accumulated profit		8,100,220,559	8,167,526,233
Total Equity		9,508,449,808	9,596,699,304
Non-current liabilities			
Lease liabilities		200,777,745	255,016,794
Long-term loan - secured	11	558,267,937	647,716,085
Deferred tax liabilities		132,827,975	122,734,865
Deferred liabilities		537,312,174	528,770,871
		1,429,185,831	1,554,238,615
Current liabilities			
Trade and other payables		2,349,890,401	2,055,832,586
Contract liabilities		63,602,929	63,189,035
Unclaimed dividend		273,232,596	138,561,386
Unpaid dividend		27,754,230	111,299,848
Current portion of long-term liabilities		357,638,154	342,116,387
Short term borrowings		-	163,894,091
		3,072,118,310	2,874,893,333
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	12	14,009,753,949	14,025,831,252

The annexed notes from 1 to 22 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


Condensed Interim Un-Consolidated Statement of Profit or Loss (Un Audited) For The Six Months Ended 30 June 2024

Note	Six Months Period Ended 30 June		Three Months Period Ended 30 June		
	2024	2023	2024	2023	
	------(Rupees) -----		------(Rupees) -----		
Revenue from contracts with customers- net	13	11,031,684,981	9,815,249,353	5,417,465,214	4,942,468,511
Cost of revenue	14	(5,651,901,653)	(5,401,438,100)	(2,766,772,424)	(2,741,270,014)
Gross profit		5,379,783,328	4,413,811,253	2,650,692,790	2,201,198,497
Distribution, selling and promotional expenses		(2,671,925,806)	(2,110,642,529)	(1,284,589,570)	(983,202,118)
Administrative and general expenses		(457,931,163)	(386,070,128)	(231,230,190)	(185,398,318)
Research and development expenses		(11,425,094)	(6,158,462)	(5,764,390)	(3,212,210)
Other operating expenses		(202,921,943)	(162,506,984)	(124,924,170)	(75,509,234)
		(3,344,204,007)	(2,665,378,103)	(1,646,508,321)	(1,247,321,880)
Profit from operations		2,035,579,321	1,748,433,150	1,004,184,469	953,876,617
Other income	15	203,215,807	83,355,634	132,752,352	34,964,070
Finance costs		(112,570,562)	(28,325,716)	(52,767,176)	(27,483,134)
Profit before income tax and final tax		2,126,224,566	1,803,463,068	1,084,169,645	961,357,553
Final taxes	16	(24,178,627)	(12,688,498)	(17,799,613)	(5,178,575)
Profit before income tax		2,102,045,939	1,790,774,570	1,066,370,032	956,178,978
Taxation	16	(600,794,542)	(589,149,058)	(328,039,019)	(380,061,574)
Profit after tax for the period		1,501,251,397	1,201,625,512	738,331,013	576,117,404
Earnings per share - basic and diluted (Rupees)	17	28.33	22.68	13.94	10.87

The annexed notes from 1 to 22 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

Condensed Interim Un-Consolidated Statement of Comprehensive Income (Un Audited) For The Six Months Ended 30 June 2024

	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2024	2023	2024	2023
	------(Rupees) -----		------(Rupees) -----	
Profit after tax for the period	1,501,251,397	1,201,625,512	738,331,013	576,117,404
Other comprehensive income				
Effect of deferred tax due to change in effective tax rate		- (8,044,442)		- (4,886,625)
Total comprehensive income for the period	1,501,251,397	1,193,581,070	738,331,013	571,230,779

The annexed notes from 1 to 22 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


Condensed Interim Un-Consolidated Statement of Cash Flow (Un Audited) For The Six Months Ended 30 June 2024

	Six Months Period Ended 30 June	
	2024	2023
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	2,102,045,939	1,790,774,570
Adjustments for non cash and other items:		
Depreciation of property, plant and equipment	97,737,377	80,262,378
Depreciation of right-of-use asset	46,313,379	31,924,805
Amortization of intangible assets	4,229,356	3,918,774
Gain on disposal of property plant and equipment	(11,367,216)	(6,184,557)
Un realized exchange gain	(835,559)	(10,633,107)
Unrealized loss / (gain) on short term investments	14,220,538	(15,439,797)
Dividend income on short-term investment	(96,257,441)	(40,948,041)
Provision for slow moving and obsolete stocks	(24,094,164)	(19,000,000)
Provision for defined benefit obligation	21,726,275	16,762,529
Provision for Workers' Profit Participation fund	120,339,082	89,695,769
Provision for Workers' Welfare Fund	45,728,851	39,292,055
Provision for Central Research Fund	22,633,472	16,655,500
Allowance for expected credit losses	-	4,705,162
Finance costs	112,570,562	28,325,716
	352,944,512	219,337,186
Profit before working capital changes	2,454,990,451	2,010,111,756
Working capital changes:		
(Increase) / decrease in current assets:		
Inventories	1,126,931,568	374,981,370
Trade debts	(490,949,122)	(1,030,336,154)
Advances, trade deposits and prepayments	(679,982,348)	(46,559,703)
Other receivables	(4,432,714)	4,290,098
Tax refunds due from the Government	-	1,126,447
Increase / (decrease) in current liabilities:		
Trade and other payables	105,356,410	(629,654,073)
Contract liabilities	413,894	(55,791,677)
	57,337,688	(1,381,943,692)
Cash generated from operations	2,512,328,139	628,168,064
Income taxes paid	(401,847,102)	(402,852,124)
Gratuity paid	(15,361,492)	(35,555,053)
Finance costs paid	(112,570,562)	(865,644)
	(529,779,156)	(439,272,821)
Net cash generated from operating activities	A 1,982,548,982	188,895,243


Condensed Interim Un-Consolidated Statement of Cash Flow (Un Audited) For The Six Months Ended 30 June 2024

	Note	Six Months Period Ended 30 June	
		2024	2023
------(Rupees)-----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(185,979,352)	(503,942,887)
Purchase of intangible assets		(2,000,000)	(3,444,980)
Increase in long term advances		(6,678,651)	(37,448,161)
Loan from subsidiary - net		10,000,000	-
short term investments - net		350,465,560	527,049,684
Long term deposits - net		(347,000)	(400,000)
Dividend income on short term investments		-	40,948,041
Proceeds from disposal of property plant and equipment		21,587,147	11,186,983
Net cash generated from investing activities	B	187,047,705	33,948,680
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(172,889,242)	(165,054,905)
Long term loan - net		(1,948,148)	498,051,852
Long term advances - net		-	1,254,026
Short term borrowings obtained		-	163,668,013
Dividend paid		(1,538,375,301)	(692,395,287)
Net cash used in financing activities	C	(1,713,212,691)	(194,476,301)
Net increase in cash and cash equivalents	(A+B+C)	456,383,996	28,367,622
Cash and cash equivalents at beginning of the period		40,443,641	432,615,208
Cash and cash equivalents at end of the period	9.2	496,827,637	460,982,830

The annexed notes from 1 to 22 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

Condensed Interim Un-Consolidated Statement of Changes in Equity (Un Audited) For The Six Months Ended 30 June 2024

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue reserves		Total
		Revaluation Surplus on operating fixed asset	General reserve	Accumulated profit	Sub total	

----- Rupees -----

Balance as at January 01, 2023 - (audited)	418,840,820	366,714,040	114,000,000	6,545,681,588	6,659,681,588	7,445,236,448
Total comprehensive income for the period ended June 30, 2023	-	-	-	1,193,581,070	1,193,581,070	1,193,581,070
Surplus transferred to accumulated profit	-	-	-	-	-	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	(4,867,549)	-	4,867,549	4,867,549	-
Transaction with owners, recorded directly in equity	-	-	-	-	-	-
Issuance of bonus shares @ 10%	41,884,080	-	-	(41,884,080)	(41,884,080)	-
Issuance of interim bonus shares @ 15%	69,108,730	-	-	(69,108,730)	(69,108,730)	-
Final dividend @ Rs. 20 per share for the year ended December 31, 2022	-	-	-	(837,677,140)	(837,677,140)	(837,677,140)
Balance as at June 30, 2023 - (un-audited)	529,833,630	361,846,491	114,000,000	6,795,460,257	6,909,460,257	7,801,140,378
Balance as at January 01, 2024 - (audited)	529,833,630	899,339,441	114,000,000	8,053,526,233	8,167,526,233	9,596,699,304
Total comprehensive income for the period ended June 30, 2024	-	-	-	1,501,251,397	1,501,251,397	1,501,251,397
Surplus transferred to accumulated profit	-	-	-	-	-	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	(20,943,822)	-	20,943,822	20,943,822	-
Transaction with owners, recorded directly in equity	-	-	-	-	-	-
Final dividend @ Rs. 30 per share for the year ended December 31, 2023	-	-	-	(1,589,500,893)	(1,589,500,893)	(1,589,500,893)
Balance as at June 30, 2024 - (un-audited)	529,833,630	878,395,619	114,000,000	7,986,220,559	8,100,220,559	9,508,449,808

The annexed notes from 1 to 22 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 Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

1. THE COMPANY AND ITS OPERATIONS

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the Companies Act, 2017 ("the Act") in March 1984 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.

1.1 Geographical location and addresses of major business units of the Company are as under:

Business Units	Geographical Location	Address
Registered office / Manufacturing facility	Lahore	17.5 KM, Multan Road, Lahore
Corporate Office	Lahore	Office# 901 Tricon Corporate Centre, Jail Road, Lahore.
Sales office	Karachi	202 Anam Empire, Block 7/8 KCHS,Shahrah e Faisal, Karachi
Sales office	Lahore	14-G, Block L, Gulberg - III, Lahore
Sales office	Rawalpindi	132 Hali Road, Westridge - I, PeshawarRoad, Rawalpindi

2. BASIS OF PREPARATION

2.1 Statement of compliance

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 Companies Act, 2017; and
- Provision and directives issued under the Companies Act, 2017 ("the Act").

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

- #### 2.2
- These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with unconsolidated financial statements of the Company for the year ended December 31, 2023. Comparative unconsolidated condensed interim statement of financial position is stated from annual audited unconsolidated financial statements as of December 31, 2023, whereas comparatives for unconsolidated condensed interim statement

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unconsolidated condensed interim financial statements of the Company for the six months period ended June 30, 2023.

- 2.3 The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three months ended June 30, 2024 and June 30, 2023 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended June 30, 2024 and June 30, 2023.
- 2.4 The unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain classes of operating fixed assets (as mentioned in unconsolidated financial statements of the Company for the year ended December 31, 2023) and certain employees' retirement benefits which are measured at fair value and present value, respectively. These unconsolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.
- 2.5 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited unconsolidated financial statements of the Company for the year ended December 31, 2023.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual unconsolidated financial statements for the year ended December 31, 2023 except for the policies mentioned and the adoption of amendments to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period as disclosed in Note 4.1 to these unconsolidated condensed interim financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Provision for taxation

a) Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated based on

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed or changes in laws made during the year for such years.

b) Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the period in unconsolidated condensed interim statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the period, is then recognized as a levy.

4.1 Changing in accounting standard interpretations and pronouncements

a) New standards, interpretations, amendments and improvements effective during current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

b) Standards, interpretation and amendments to approved accounting standards that are not yet effective

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2024. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated condensed interim financial statements in the period of initial application.

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets :			
Owned assets	5.1	2,152,834,759	2,229,754,900
Right of use assets	5.2	517,298,245	564,445,677
		2,670,133,004	2,794,200,577
Capital work-in-progress		926,649,756	722,025,038
		3,596,782,760	3,516,225,615

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
5.1	Owned assets		
	Opening book value	2,229,754,900	1,278,716,784
	Additions during the period / year	5.1.1 31,037,167	648,847,146
	Revaluation adjustment	-	664,092,847
		2,260,792,067	2,591,656,777
	Disposals during the period / year	5.1.2 (10,219,931)	(191,342,986)
	Depreciation for the period / year	(97,737,377)	(170,558,891)
		(107,957,308)	(361,901,877)
	Closing book value	2,152,834,759	2,229,754,900
5.1.1	Additions during the period / year - cost		
	Building on freehold land	-	107,809,992
	Plant and machinery	5.1.1.1 7,959,130	400,694,580
	Laboratory equipment	8,193,929	17,443,891
	Furniture and fixture	468,300	1,274,744
	Electric and gas appliances	316,999	15,972,899
	Office equipment	14,098,809	18,666,495
	Vehicles	5.1.1.2 -	86,984,545
		31,037,167	648,847,146

5.1.1.1 This includes plant and machinery, having net book value amounting to Rs. nil (December 31, 2023: 173.89 million), transferred from right of use assets.

5.1.1.2 This includes vehicles, having net book value amounting to Rs. nil (December 31, 2023: 18.99 million), transferred from right of use assets.

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
5.1.2	Disposals during the period / year		
	Building on freehold land	-	73,060,614
	Plant and machinery	-	71,450,298
	Electric and gas appliances	-	18,317,789
	Office equipment	-	18,270,822
	Vehicles	10,219,931	10,243,463
		10,219,931	191,342,986

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

	Un Audited 30 June 2024	Audited 31 December 2023
Note	------(Rupees)-----	
5.2		
Right of use assets		
Opening book value	564,445,677	356,465,213
Additions during the period - cost	11,584,200	468,496,945
	576,029,877	824,962,158
Disposal / transferred to owned assets	(12,418,253)	(192,884,254)
Depreciation for the period / year	(46,313,379)	(67,632,227)
	(58,731,632)	(260,516,481)
Closing book value	517,298,245	564,445,677
6.		
STOCK IN TRADE		
Raw materials:		
In hand	2,030,217,040	2,190,159,412
In transit	21,316,285	611,931,551
With third party	90,358,807	133,122,397
	2,141,892,133	2,935,213,360
Packing material	720,702,253	718,868,006
Stores, spare parts and loose tools	70,696,683	63,451,738
Work in process	546,163,111	252,216,352
Finished goods:		
Trading -in hand	128,404,233	143,427,588
Manufactured	166,568,373	788,181,310
	294,972,606	931,608,898
	3,774,426,786	4,901,358,354
Less: Provision for slow moving and obsolete items	(163,512,745)	(187,606,909)
	3,610,914,041	4,713,751,445
7.		
TRADE RECEIVABLES		
Foreign	242,118,325	865,189
Local	2,392,457,955	2,141,926,411
	2,634,576,280	2,142,791,600
Less: allowance for expected credit losses (ECL) 7.1	(22,372,807)	(22,372,807)
	2,612,203,473	2,120,418,793

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees) -----	
7.1	Allowance for expected credit losses		
	Opening balance	22,372,807	52,085,768
	Charged / (reversal) during the period / year	7.1.1 -	(29,712,961)
		22,372,807	22,372,807
7.1.1	The impact of ECL for the period is insignificant, hence, no allowance is made during the period.		
8.	SHORT-TERM INVESTMENT		
	Investments at fair value through profit or loss		
	Mutual funds - fair value through profit and loss	8.1 1,602,101,114	1,699,124,325
	Term deposit receipts - at amortization cost	8.2 298,264,232	469,669,677
		1,900,365,346	2,168,794,002
8.1	Set out below is the movement during the period / year:		
	Balance at the beginning of the period / year	1,699,124,325	1,193,596,924
	Additions during the period / year	2,248,936,299	2,387,312,516
	Redemption during the period / year	(2,367,955,624)	(1,900,167,715)
	Realized gain / (loss) on redemption of investment during the period / year	36,216,652	(3,578,879)
	Un-realized (loss) / gain on remeasurement of investments during the period / year	(14,220,538)	21,961,479
	Closing fair value of short-term investment	1,602,101,114	1,699,124,325
8.2	These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 18% - 21% (December 31, 2023: 16% - 22%) with maturity up to December 31, 2024.		
		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees) -----	
9.	CASH AND BANK BALANCES		
	Cash and imprest	3,332,827	4,656,752
	Cash as banks:		
	Current accounts		
	-Local currency	190,616,545	101,099,550
	-Foreign currency	25,325,569	68,930,604
		215,942,114	170,030,154
	Saving accounts	9.1 277,552,696	29,650,826
		496,827,637	204,337,732

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

9.1 These represent saving accounts which carries average profit at the rate ranging from 7.05% to 20.13% (December 31, 2023: 7.51% to 20.51%).

9.2 Cash and cash equivalents

The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cashflows at the end of financial year as follows:

	Un Audited 30 June 2024	Audited 31 December 2023
Note	------(Rupees) -----	
Cash and bank balances	496,827,637	204,337,732
Short - term borrowings		- (163,894,091)
Cash and cash equivalents as per statement of cashflows	496,827,637	40,443,641

10. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

5,905,000 (December 31, 2023: 5,905,000)

ordinary shares of Rs. 10 each fully paid in cash

	59,050,000	59,050,000
--	------------	------------

95,000 (December 31, 2023: 95,000) ordinary shares

of Rs.10 each issued for consideration other than cash

	950,000	950,000
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46,983,363 (December 31, 2023: 46,983,363)

ordinary shares of Rs. 10 each issued as bonus shares

	469,833,630	469,833,630
--	-------------	-------------

	529,833,630	529,833,630
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11. LONG-TERM LOAN - SECURED

Long-term loan	712,164,233	714,112,381
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Less: Current portion shown under current liabilities	(153,896,296)	(66,396,296)
---	---------------	--------------

	558,267,937	647,716,085
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11.1 The movement of Long-term loan is as follows:

Opening balance	11.1.1 & 11.1.2	714,112,381	18,008,677
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Addition during the period / year:	-	700,000,000
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Principal payments made during the period / year	(1,948,148)	(3,896,296)
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	712,164,233	714,112,381
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Current portion shown under current liabilities	(153,896,296)	(66,396,296)
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Closing balance	558,267,937	647,716,085
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Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

- 11.1.1 This includes loan from Meezan Bank Limited taken in year 2023 to meet the long term financing needs having sanctioned limit of Rs. 700 million and carries markup at the rate of 3 month KIBOR + 0.1% per annum payable quarterly, whereas the principal is repayable in 16 equal quarterly instalments commenced after a grace period of one year from September 2024, during this period only interest amount is subject to payment. This facility is secured against first pari passu charge over all present and future plant and machinery.
- 11.1.2 This includes loan obtained from MCB Bank Limited under facility for setting up solar based power project under SBP financing scheme for renewable Energy having sanctioned limit of Rs. 50 million (2023: 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2023: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual fund up to Rs. 67 million placed in MCB-Arif Habib Savings and Investment Limited. 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 date. The difference between fair value of loan and loan proceeds has been recognised 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.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- 12.1.1 There have been no significant changes in other contingencies as reported in the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2023.
- 12.1.2 There are several claims that have been lodged against the Company. The quantum of potential liability cannot be estimated reliably. The Company is hopeful of a favorable outcome, therefore, no provision has been recognized in these unconsolidated condensed interim financial statements.

Note	Un Audited	Audited	
	30 June 2024	31 December 2023	
------(Rupees) -----			
12.2	Commitments		
	Commitments against irrevocable letters of credit include:		
	Letter of contracts	819,767,836	930,532,695
	Bank contracts	193,045,682	149,524,444
	Capital expenditure	-	35,583,333
	Ijarah rentals	12.2.1 8,112,093	12,127,859
		1,020,925,611	1,127,768,331
12.2.1	Future payments under Ijarah:		
	Within one year	8,112,093	8,085,216
	After one year but not more than 5 years	-	4,042,643
		8,112,093	12,127,859

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

13. REVENUE FROM CONTRACTS 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			
	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2024	2023	2024	2023
	----- (Rupees) -----			
Trading and Manufactured products:				
Local	11,891,885,327	9,920,177,128	6,333,663,607	5,029,805,131
Export	974,001,092	654,629,204	502,297,456	311,938,643
	12,865,886,419	10,574,806,332	6,835,961,063	5,341,743,774
Toll Manufacturing	335,798,484	337,617,240	190,942,071	167,522,897
Less:				
Sales tax	(110,768,108)	(100,013,539)	(59,604,931)	(50,381,655)
Trade discount	(2,059,231,814)	(997,160,680)	(1,549,832,989)	(516,416,505)
	11,031,684,981	9,815,249,353	5,417,465,214	4,942,468,511

	Un-audited	
	Six Months Period Ended 30 June	
	2024	2023
	----- (Rupees) -----	
13.2 Geographical information		
Pakistan	10,057,683,889	9,160,620,150
Afghanistan	698,657,910	440,794,157
France	98,790,565	38,068,702
United Arab Emirates	86,084,746	84,893,521
Iraq	40,880,365	45,082,129
Kenya	22,050,286	20,528,934
Sudan	8,274,295	-
Cambodia	6,868,537	3,755,906
Tanzania	-	10,852,518
Mauritius	-	1,100,762
Other	12,394,388	9,552,574
	11,031,684,981	9,815,249,353

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

For The Six Months Ended 30 June 2024

	Un-audited			
	Six Months Period Ended		Three Months Period Ended	
	30 June		30 June	
	2024	2023	2024	2023
	----- (Rupees) -----			
14. COST OF REVENUE				
Opening stock of finished goods	931,608,898	1,453,009,507	328,538,634	1,320,184,361
Cost of goods manufactured	4,513,037,663	3,433,322,693	2,402,301,182	1,507,887,249
Purchased finish products	502,227,698	1,309,350,554	330,905,214	707,443,058
Available stock for sale	5,946,874,259	6,195,682,754	3,061,745,030	3,535,514,668
Closing stock of finished goods	(294,972,606)	(794,244,654)	(294,972,606)	(794,244,654)
Cost of sales	5,651,901,653	5,401,438,100	2,766,772,424	2,741,270,014

	Un-audited	
	Six Months Period Ended	
	30 June	
	2024	2023
	----- (Rupees) -----	
15. OTHER INCOME		
Income from financial assets:		
Return on deposits	2,960,344	2,265,340
Profit on term deposit receipts	26,815,858	6,584,117
Dividend income on short-term investment	96,257,441	40,948,041
Unrealized gain on re-measurement of short term investment to fair value	-	15,439,797
Realized gain on redemption of short term investment	36,216,652	-
Interest on loan to subsidiary	305,142	1,036,122
Exchange gain - net	5,350,083	10,633,107
	167,905,520	76,906,524
Income from non-financial assets:		
Gain on disposal of property, plant and equipment	11,367,216	6,184,557
Scrap sales	5,330,895	264,553
Others	18,612,176	-
	35,310,287	6,449,110
	203,215,807	83,355,634

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

For The Six Months Ended 30 June 2024

	Note	Un-audited Six Months Period Ended 30 June	
		2024	2023
		------(Rupees)-----	
16. TAXATION-NET			
Final taxes	16.1	24,178,627	12,688,498
Current tax			
-current period		590,701,432	549,423,389
-prior period		-	134,394,169
		614,880,059	696,506,056
Deferred tax		10,093,110	(94,668,500)
		624,973,169	601,837,556

16.1 This represents final taxes paid under Section 154 of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

16.1.1 Reconciliation of tax charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the unconsolidated condensed interim statement of profit or loss is as follows:

Current tax liability for the year as per applicable tax laws	614,880,059	696,506,056
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(590,701,432)	(683,817,558)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(24,178,627)	(12,688,498)
Difference	-	-

	Un-audited			
	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2024	2023	2024	2023
	------(Rupees)-----			
17. EARNINGS PER SHARE				
Profit for the period - (Rupees)	1,501,251,397	1,201,625,512	738,331,013	576,117,404
Weighted average number of ordinary shares outstanding during the period - (Numbers)	52,983,363	52,983,363	52,983,363	52,983,363
Basic and diluted - (Rupees)	28.33	22.68	13.94	10.87

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

18. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise subsidiary, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel. The Company carries out transactions with various related parties. Significant transactions and balances with related parties that were not disclosed elsewhere are as follows:

18.1 Transactions during the period:

	Name of related party	Relationship	Nature of transaction	(Un-audited) Six Months Period Ended 30 June	
				2024	2023
------(Rupees)-----					
	Route 2 health (Pvt) Ltd	Associate	Purchases	17,049,397	409,336,336
		(Common directorship)	Dividend paid	17,373,889	10,772,000
	Curexa Health (Pvt) Ltd	Subsidiary	Purchases	38,026,338	455,370,451
		(Wholly owned subsidiary)	Interest income on loan	305,142	-
			Receipt against loan repayment	10,000,000	-
	Pharmatec Investments Ltd	Associate	Dividend paid	194,226,703	-
		(Common directorship)			
	Staff provident fund	Employee benefit fund	Contribution for the period	96,778,145	40,824,401
			Dividend paid	6,406,500	3,376,300
	Employees' Welfare Trust	Employee benefit fund	Contribution for the period	72,631,538	2,080,955
			Dividend paid	6,582,136	1,902,360
	Remuneration of:				
	Chief executive officer	Employment	Remuneration	20,050,249	17,557,643
	Executives	Employment	Remuneration	457,783,837	380,186,704

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

18.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of transaction	(Un-audited) Six Months Period Ended 30 June	
			2024	2023
			------(Rupees)-----	
Curexa Health (Pvt) Ltd	Subsidiary (Wholly owned subsidiary)	Other receivable	2,575,244	2,575,244
		Accrued interest on loan to subsidiary	754,309	609,720
		Loan to subsidiary	-	10,000,000
		Trade and other payables	37,752,014	-
Route 2 health (Pvt) Ltd	Associate (Common directorship)	Trade and other payables	16,969,061	-
Pharmatec Investments Ltd	Associate (Common directorship)	Unpaid dividend	27,754,230	111,299,848
Staff provident fund		Trade and other payables	5,361,471	10,923,284

19. FINANCIAL RISK MANAGEMENT

19.1 Financial risk factors

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended December 31, 2023.

19.2 Fair values of financial assets and liabilities

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited unconsolidated financial statements of the Company for the year ended December 31, 2023.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2024

20. CORRESPONDING FIGURES

Corresponding figures have been re-arranged 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 for the following.

Note	Reclassification from	Reclassification to	Six Months Period Ended 30 June 2023	Three Months Period Ended 30 June 2023
			----- (Rupees) -----	
Statement of Profit or Loss				
Reclassification of income tax to Levy				
16	Taxation	Levy	12,688,498	5,178,575

21. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

These are no significant reportable event after the unconsolidated condensed interim statement of financial position.

22. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated condensed interim financial statements for issuance on 29 August 2024.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

A close-up photograph of a person's hand using a white calculator on a desk. The hand is holding a pen and has just finished pressing a button. Several coins are scattered on the desk around the calculator. In the background, there are blurred documents and a laptop. An orange semi-transparent box is overlaid on the top half of the image, containing white text.

Condensed Interim Consolidated Financial Statements

Highnoon Laboratories Limited and its subsidiary
Curexa Health (Private) Limited
for the the Six Months ended 30 June 2024

Condensed Interim Consolidated Statement of Financial Position As at 30 June 2024 (Un Audited)

		Un Audited 30 June 2024	Audited 31 December 2023
Note		------(Rupees)-----	
ASSETS			
Non-current assets			
	Property, plant and equipment	4,140,939,593	4,083,565,054
	Intangible assets	30,056,223	32,285,579
	Goodwill	834,230	834,230
	Long-term deposits	24,490,429	24,143,429
	Loan to employees	63,185,722	57,243,399
		4,259,506,197	4,198,071,691
Current assets			
	Inventories	3,857,708,305	4,945,663,244
	Trade receivables	2,861,470,508	2,167,183,163
	Advances, trade deposits and prepayments	1,273,866,303	595,157,903
	Other receivables	20,012,969	12,233,863
	Short-term investment	1,900,365,347	2,168,794,002
	Tax refunds due from the Government	218,725,795	443,617,881
	Cash and bank balances	499,236,028	212,552,586
		10,631,385,255	10,545,202,642
	TOTAL ASSETS	14,890,891,452	14,743,274,333



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Condensed Interim Consolidated Statement of Financial Position As at 30 June 2024 (Un Audited)

		Un Audited 30 June 2024	Audited 31 December 2023
Note		------(Rupees)-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 (December 31, 2023: 100,000,000)			
		1,000,000,000	1,000,000,000
<hr/>			
		529,833,630	529,833,630
Issued, subscribed and paid up share capital	10		
Capital reserve - Revaluation surplus on operating fixed assets		1,104,575,499	1,125,838,302
Revenue reserves		8,418,364,422	8,379,976,617
Total Equity		10,052,773,551	10,035,648,549
LIABILITIES			
Non-current liabilities			
Lease liabilities		200,777,745	255,016,794
Long-term loan - secured	11	558,267,937	647,716,085
Deferred liabilities		537,312,174	528,770,871
Deferred tax liabilities		222,130,461	202,057,707
		1,518,488,317	1,633,561,457
Current liabilities			
Trade and other payables		2,593,432,617	2,138,233,859
Contract liabilities		67,571,987	83,478,528
Unclaimed dividend		273,232,596	138,561,386
Unpaid dividend		27,754,230	111,299,848
Current portion of long-term liabilities		357,638,154	342,116,387
Short term Borrowings		-	260,374,319
		3,319,629,584	3,074,064,327
Total liabilities		4,838,117,901	4,707,625,784
<hr/>			
CONTINGENCIES AND COMMITMENTS			
	12	14,890,891,452	14,743,274,333
<hr/>			
TOTAL EQUITY AND LIABILITIES		14,890,891,452	14,743,274,333

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Un Audited) For The Six Months Ended 30 June 2024

Note	Six Months Period Ended 30 June		Three Months Period Ended 30 June		
	2024	2023	2024	2023	
	------(Rupees) -----		------(Rupees) -----		
Revenue from contracts with customers- net	13	12,038,623,150	9,913,925,982	5,896,752,798	4,958,849,786
Cost of revenue	14	(6,049,957,750)	(5,434,805,562)	(2,931,322,268)	(2,708,427,647)
Gross profit		5,988,665,401	4,479,120,420	2,965,430,531	2,250,422,139
Distribution, selling and promotional expenses		(3,013,118,616)	(2,110,642,528)	(1,456,183,152)	(983,202,117)
Administrative and general expenses		(533,149,451)	(417,253,781)	(267,473,143)	(200,750,371)
Research and development expenses		(11,425,094)	(6,158,462)	(5,764,390)	(3,212,210)
Other operating expenses		(220,268,102)	(165,823,350)	(133,973,552)	(76,657,721)
		(3,777,961,264)	(2,699,878,121)	(1,863,394,238)	(1,263,822,419)
Operating profit		2,210,704,137	1,779,242,299	1,102,036,293	986,599,720
Other income	15	208,311,308	82,497,870	136,393,333	34,463,857
Finance costs		(115,012,470)	(33,439,887)	(53,872,162)	(30,478,098)
Profit before income tax and final tax		2,304,002,974	1,828,300,282	1,184,557,463	990,585,479
Final taxes		(24,178,627)	(12,688,498)	(17,799,613)	(5,178,575)
Profit before income tax		2,279,824,347	1,815,611,784	1,166,757,850	985,406,904
Taxation		(673,198,453)	(601,725,938)	(344,977,541)	(385,181,523)
Profit after tax for the period		1,606,625,895	1,213,885,846	821,780,309	600,225,381
Earnings per share - basic and diluted		30.32	22.91	15.51	11.33

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Un Audited) For The Six Months Ended 30 June 2024

	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2024	2023	2024	2023
	------(Rupees) -----		------(Rupees) -----	
Profit after tax for the period	1,606,625,895	1,213,885,846	821,780,309	600,225,381
Other comprehensive income				
Effect of deferred tax due to change in effective tax rate		- (8,044,442)	-	4,886,625
Total comprehensive income for the period	1,606,625,895	1,205,841,404	821,780,309	605,112,006

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer


Condensed Interim Consolidated Statement of Cash Flow (Un Audited) For The Six Months Ended 30 June 2024

	Six Months Period Ended 30 June	
	2024	2023
Note	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	2,279,824,347	1,815,611,784
Adjustments for non cash and other items:		
Depreciation of operating fixed assets	120,919,982	97,989,209
Depreciation of right-of-use asset	46,313,379	31,924,805
Amortization of intangible assets	4,229,356	3,918,774
Gain on disposal of property plant and equipment	(11,367,216)	(6,184,557)
Un realized exchange gain	(835,559)	(10,633,107)
Unrealized (gain)/loss on short term investments	14,220,538	(15,439,797)
Dividend Income on short-term investment	(96,257,441)	(40,948,041)
Provision for slow moving and obsolete stocks	(15,094,164)	(18,491,568)
Provision for defined benefit obligation	21,726,275	16,762,529
Provision for Workers' Profit Participation Fund	131,038,929	91,807,170
Provision for Workers' Welfare Fund	50,156,746	785,086
Provision for Central Research Fund	24,851,889	17,075,379
Allowance for expected credit losses	-	4,526,804
Finance costs	115,317,612	33,439,887
	405,220,327	206,532,573
Profit before working capital changes	2,685,044,674	2,022,144,357
Working capital changes:		
(Increase) / decrease in current assets:		
Inventories	1,103,049,102	313,702,660
Trade debts	(710,901,050)	(1,019,524,689)
Advances, trade deposits and prepayments	(678,708,401)	(58,749,797)
Other receivables	(4,600,767)	(547,861)
Tax refund due from the Government	-	(6,564,038)
Increase / (decrease) in current liabilities:		
Contract liabilities	413,894	(55,791,677)
Trade and other payables	251,891,168	(590,966,009)
Cash flows from operations	2,646,188,620	603,702,946
Income taxes paid	(426,971,855)	(406,156,084)
Gratuity paid	(15,361,492)	(35,555,053)
Finance costs paid	(120,753,653)	(7,125,011)
Central Research Fund paid	(615,198)	(1,028,171)
	(563,702,198)	(449,864,319)
Net cash flows from operating activities	A 2,082,486,422	153,838,627

Condensed Interim Consolidated Statement of Cash Flow (Un Audited) For The Six Months Ended 30 June 2024

	Note	Six Months Period Ended 30 June	
		2024	2023
------(Rupees)-----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(185,979,352)	(577,611,498)
Purchase of intangible assets		(2,000,000)	(3,444,980)
Increase in long term advances		(5,942,324)	(36,671,728)
Short term investments - net		350,465,559	527,049,684
Long term deposits - net		(347,000)	(400,000)
Dividend income on short term investments		-	40,948,041
Proceeds from disposal of property plant and equipment		21,587,147	11,186,983
Net cash flows used in investing activities	B	177,784,031	(38,943,498)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(172,889,242)	(165,054,905)
Long term loan - net		(1,948,148)	497,739,282
Dividend paid		(1,538,375,302)	(692,395,287)
Net cash flows used in financing activities	C	(1,713,212,692)	(359,710,910)
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	547,057,761	(244,815,781)
Cash and cash equivalents at beginning of the period		(47,821,733)	(79,109,366)
Cash and cash equivalents at end of the period	9.2	499,236,028	(323,925,147)


The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

For the Period Ended 30 June 2024

	Share capital	Capital Reserves		Revenue reserves		Total
		Revaluation Surplus on operating fixed asset	General reserve	Accumulated profit	Sub total	
----- Rupees -----						
Balance as at 01 January 2023 - (audited)	418,840,820	410,144,816	114,000,000	6,712,126,631	6,826,126,631	7,655,112,267
Total comprehensive income for the period ended June 30, 2023	-	-	-	1,205,841,404	1,205,841,404	1,205,841,404
Surplus transferred to accumulated profit	-	(5,203,318)	-	5,203,318	5,203,318	-
Incremental depreciation relating to surplus on revaluation - net of tax Transaction with owners, recorded directly in equity	41,884,080	-	-	(41,884,080)	(41,884,080)	-
Issuance of bonus shares @ 10%	69,108,730	-	-	(69,108,730)	(69,108,730)	-
Issuance of interim bonus shares @ 15%	-	-	-	(837,677,140)	(837,677,140)	-
Final dividend @ Rs. 20 per share for the year ended 31 December 2022	-	-	-	-	(837,677,140)	(837,677,140)
Balance as at 30 June 2023 - (un-audited)	529,833,630	404,941,498	114,000,000	6,974,501,403	7,088,501,403	8,023,276,531
Balance as at 01 January 2024 (audited)	529,833,630	1,125,838,302	114,000,000	8,265,976,617	8,379,976,617	10,035,648,549
Total comprehensive income for the period ended June 30, 2024	-	-	-	1,606,625,895	1,606,625,895	1,606,625,895
Surplus transferred to accumulated profit	-	(21,262,804)	-	21,262,804	21,262,804	-
Incremental depreciation relating to surplus on revaluation - net of tax Transaction with owners, recorded directly in equity	-	-	-	(1,589,500,894)	(1,589,500,894)	-
Final dividend @ Rs. 30 per share for the year ended 31 December 2023	-	-	-	-	(1,589,500,894)	(1,589,500,894)
Balance as at 30 June 2024 (un-audited)	529,833,630	1,104,575,498	114,000,000	8,304,364,422	8,418,364,422	10,052,773,550

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

For the Period Ended 30 June 2024

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.

Geographical location and addresses of major business units of the Group are as under:

Business Units	Geographical Location	Address
Registered office / Manufacturing facility	Lahore	17.5 KM, Multan Road, Lahore
Corporate Office	Lahore	Office# 901 Tricon Corporate Centre, Jail Road, Lahore.
Subsidiary	Lahore	517- Sundar Industrial Estate, Raiwind, Lahore
Sales office	Karachi	202 Anam Empire, Block 7/8 KCHS,Shahrah e Faisal, Karachi
Sales office	Lahore	14-G, Block L, Gulberg - III, Lahore
Sales office	Rawalpindi	132 Hali Road, Westridge - I, PeshawarRoad, Rawalpindi

- 1.1 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").
- 1.2 The Subsidiary Company was incorporated with the principle object to carry on business as manufacturer, importer and dealers of all kinds of pharmaceutical.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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 Companies Act, 2017; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 30 June 2024

- 2.2 These consolidated condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with consolidated financial statements of the Group for the year ended December 31, 2023. Comparative consolidated condensed interim statement of financial position is stated from annual audited consolidated financial statements as of December 31, 2023, whereas comparatives for consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are extracted from consolidated condensed interim financial statements of the Group for the six months period ended June 30, 2023.
- 2.3 The figures of the consolidated condensed interim statement of profit or loss and other comprehensive income for the three months ended June 30, 2024 and June 30, 2023 and notes forming part thereof have not been reviewed by the auditors of the Group, as they have reviewed the cumulative figures for the six months ended June 30, 2024 and June 30, 2023.
- 2.4 The consolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain classes of operating fixed assets (as mentioned in consolidated financial statements of the Group for the year ended December 31, 2023) and certain employees' retirement benefits which are measured at fair value and present value, respectively. These consolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Group. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.
- 2.5 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited consolidated financial statements of the Group for the year ended December 31, 2023.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023 except for the policies mentioned and the adoption of amendments to approved accounting and reporting

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

For the Period Ended 30 June 2024

standards as applicable in Pakistan which became effective for the current period as disclosed in Note 4.1 to these consolidated condensed interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Provision for taxation
- a) **Current**
Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed or changes in laws made during the year for such years.
- b) **Levy**
The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the period in consolidated condensed interim statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the period, is then recognized as a levy.
- 4.1 **Changings in accounting standard interpretations and pronouncements**
- a) **New standards, interpretations, amendments and improvements effective during current period**
Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.
- b) **Standards, interpretation and amendments to approved accounting standards that are not yet effective**
In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2024. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated condensed interim financial statements in the period of initial application.

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

For the Period Ended 30 June 2024

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets:			
Owned	5.1	2,696,991,593	2,797,094,339
Right of use assets	5.2	517,298,245	564,445,677
		3,214,289,838	3,361,540,016
Capital work-in-progress		926,649,756	722,025,038
		4,140,939,593	4,083,565,054
5.1 Owned assets			
Opening book value		2,797,094,339	1,595,639,706
Additions during the period / year	5.1.1	31,037,167	1,592,246,528
		2,828,131,506	3,187,886,234
Disposals during the period / year	5.1.2	(10,219,931)	(192,351,171)
Depreciation for the period / year		(120,919,982)	(198,440,724)
		(131,139,913)	(390,791,895)
Closing book value		2,696,991,593	2,797,094,339
5.1.1 Additions during the period / year - cost			
Freehold Land		-	2,152,250
Building on freehold land		-	121,874,683
Plant and machinery	5.1.1.1	7,959,130	418,679,477
Laboratory equipment		8,193,929	18,511,955
Furniture and fixtures		468,300	4,371,221
Electric and gas appliances		316,999	17,003,460
Office equipment		14,098,809	19,453,864
Vehicles	5.1.1.2	-	87,958,439
		31,037,167	690,005,349
Additions during the year - Revaluation adjustment			
Land - Freehold		-	423,942,750
Building on freehold land		-	119,540,682
Plant and machinery		-	358,757,747
		-	902,241,179
Total Additions		31,037,167	1,592,246,528

5.1.1.1 This includes plant and machinery, having net book value amounting to Rs. Nil (2023: 173.89 million), transferred from right of use assets.

5.1.1.2 This includes vehicles, having net book value amounting to Rs. Nil (2023: 18.99 million), transferred from right of use assets.

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 30 June 2024

	Un Audited 30 June 2024	Audited 31 December 2023
	------(Rupees) -----	
5.1.2 Disposals during the period / year		
Building on freehold land	-	73,060,614
Plant and machinery	-	71,450,298
Electric and gas appliances	-	18,317,789
Office equipment	-	18,270,822
Vehicles - owned	10,219,931	11,251,648
	10,219,931	192,351,171
5.2 Right of use assets		
Opening book value	564,445,677	356,465,213
Additions during the period - cost	11,584,200	468,496,945
	576,029,877	824,962,158
Transferred to owned assets	(12,418,253)	(192,884,254)
Depreciation for the period /year	(46,313,379)	(67,632,227)
	(58,731,632)	(260,516,481)
Closing book value	517,298,245	564,445,677
6. INVENTORIES		
Raw materials:		
In hand	2,096,440,769	2,253,413,919
In transit	29,832,760	656,233,366
With third party	90,358,807	133,122,397
	2,216,632,336	3,042,769,682
Packing material	814,443,344	781,045,122
Stores, spare parts and loose tools	90,257,138	75,968,438
Work in process	587,132,724	278,623,344
Finished goods:		
Trading - in hand	121,273,164	136,324,851
Manufactured	206,551,471	824,607,842
	327,824,635	960,932,693
	4,036,290,176	5,139,339,279
Less: Provision for slow moving and obsolete items	(178,581,871)	(193,676,035)
	3,857,708,305	4,945,663,244

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

For the Period Ended 30 June 2024

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
7.	TRADE RECEIVABLES		
	Export Sales	242,118,325	865,189
	Local Sales	2,641,724,990	2,188,690,781
		2,883,843,315	2,189,555,970
	Less: allowance for expected credit losses (ECL) 7.1	(22,372,807)	(22,372,807)
		2,861,470,508	2,167,183,163

7.1	Allowance for expected credit losses		
	Opening balance	22,372,807	52,085,768
	Charged / (reversal) during the period / year 7.1.1	-	(29,712,961)
		22,372,807	22,372,807

7.1.1 The impact of ECL for the period is insignificant, hence, no allowance is made during the period.

8.	SHORT-TERM INVESTMENT		
	Investments at fair value through profit or loss		
	Mutual funds - fair value through profit and loss 8.1	1,602,101,115	1,699,124,325
	Term deposit receipts - at amortization cost 8.2	298,264,232	469,669,677
		1,900,365,347	2,168,794,002

8.1 Set out below is the movement during the period / year:

	Balance at the beginning of the period / year	1,699,124,325	1,193,596,924
	Additions during the period / year	2,248,936,299	2,387,312,516
	Redemption during the period / year	(2,367,955,624)	(1,900,167,715)
	Realized gain / (loss) on redemption of investment during the period / year	36,216,652	(3,578,879)
	Un-realized gain / (loss) on remeasurement of investments during the period / year	(14,220,538)	21,961,479
	Closing fair value of short-term investment	1,602,101,115	1,699,124,325

8.2 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 18% - 21% (2023: 16% - 22%) with maturity up to December 2024.

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

For the Period Ended 30 June 2024

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees) -----	
9.	CASH AND BANK BALANCES		
	Cash and imprest	3,470,297	4,907,461
	Cash as banks:		
	Current accounts		
	-Local currency	191,752,894	101,172,443
	-Foreign currency	25,325,569	68,930,604
		217,078,463	170,103,047
	Saving accounts	278,687,268	37,542,078
	9.1	495,765,731	207,645,125
		499,236,028	212,552,586

9.1 These represent saving accounts which carries average profit at the rate ranging from 7.05% to 20.13% (2023: 7.51% to 20.51%).

9.2 Cash and cash equivalents

The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cashflows at the end of financial year as follows:

	Un Audited 30 June 2024	Audited 31 December 2023
	------(Rupees) -----	
Cash and bank balances	499,236,028	212,552,586
Short - term borrowings		- (260,374,319)
Cash and cash equivalents as per statement of cashflows	499,236,028	(47,821,733)

10. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

5,905,000 (December 31, 2023: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash

59,050,000 59,050,000

95,000 (December 31, 2023: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash

950,000 950,000

46,983,363 (December 31, 2023: 49,983,363) ordinary shares of Rs. 10 each issued as bonus shares

469,833,630 469,833,630
529,833,630 529,833,630

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

For the Period Ended 30 June 2024

	Note	Un Audited 30 June 2024	Audited 31 December 2023
----- (Rupees) -----			
11. LONG-TERM LOAN - SECURED			
Long-term loan		712,164,233	714,112,381
Less: Current portion shown under current liabilities		(153,896,296)	(66,396,296)
		<u>558,267,937</u>	<u>647,716,085</u>
11.1 The movement of long term loan as follows:			
Opening balance	11.1.1 & 11.1.2	714,112,381	18,008,677
Addition during the period / year:			
Loan obtained during the period / year		-	700,000,000
Less: deferred grant recognized		-	700,000,000
Principal payments made during the period / year		(1,948,148)	(3,896,296)
		<u>712,164,233</u>	<u>714,112,381</u>
Current portion shown under current liabilities		(153,896,296)	(66,396,296)
Closing balance		<u>558,267,937</u>	<u>647,716,085</u>

11.1.1 This includes loan from Meezan Bank Limited taken in year 2023 to meet the long term financing needs having sanctioned limit of Rs. 700 million and carries markup at the rate of 3 month KIBOR + 0.1% per annum payable quarterly, whereas the principal is repayable in 16 equal quarterly instalments commenced after a grace period of one year from September 2024, during this period only interest amount is subject to payment. This facility is secured against 1st pari passu charge over all present and future plant and machinery.

Salient features of the facility is as under:

Bank name	Outstanding installments	Repayment	Installment (Rupees)	Disbursement date	Maturity
Rs. 500 Million					
Meezan Bank Limited	16	Quarterly	31,250,000	5 June 2023	5 June 2028
Rs. 200 Million					
Meezan Bank Limited	16	Quarterly	12,500,000	13 October 2023	13 October 2028

11.1.2 This includes loan obtained from MCB Bank Limited under facility for setting up solar based power project under SBP financing scheme for renewable Energy having sanctioned limit of Rs. 50 million (2023: 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2023: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments

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

For the Period Ended 30 June 2024

starting from 10 December 2022. This facility is secured against lien on mutual fund up to Rs. 67 million placed in MCB-Arif Habib Savings and Investment Limited. 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 date. The difference between fair value of loan and loan proceeds has been recognised 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.

Salient features of the facility is as under:

Bank name	Outstanding installments	Repayment	Installment (Rupees)	Disbursement date	Maturity
MCB Bank Limited	24	Quarterly	974,074	10 June 2022	10 June 2029

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 There have been no significant changes in other contingencies as reported in the annual audited consolidated financial statements of the Group for the year ended December 31, 2023.

12.1.2 There are several claims that have been lodged against the Group. The quantum of potential liability cannot be estimated reliably. The Group is hopeful of a favorable outcome, therefore, no provision has been recognized in these consolidated condensed interim financial statements.

		Un Audited 30 June 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
12.2 Commitments			
Letter of contracts		819,767,836	939,252,969
Bank contracts		193,045,682	149,524,444
Ijarah rentals	12.2.1	8,112,093	12,127,859
Capital expenditure		-	35,583,333
		1,020,925,611	1,136,488,605

12.2.1 Future payments under Ijarah:

Within one year	8,112,093	8,085,216
After one year but not more than 5 years	-	4,042,643
	8,112,093	12,127,859

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

For the Period Ended 30 June 2024

13. REVENUE FROM CONTRACT WITH CUSTOMERS- NET

13.1 Disaggregated Revenue Information

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

	Un-audited			
	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2024	2023	2024	2023
	----- (Rupees) -----			
Trading and Manufactured products:				
Local	13,007,161,051	10,024,347,869	6,916,012,240	5,088,760,400
Export	974,001,092	654,629,204	502,297,456	302,864,013
	13,981,162,143	10,678,977,073	7,418,309,696	5,391,624,413
Toll manufacturing	335,798,484	337,617,240	190,942,071	161,025,133
Less:				
Sales tax	(121,211,273)	(105,507,651)	(64,771,590)	(105,507,651)
Sales Return/Discount	(2,157,126,204)	(997,160,680)	(1,647,727,379)	(488,292,109)
	12,038,623,150	9,913,925,982	5,896,752,798	4,958,849,786

	Un-audited	
	Six Months Period Ended 30 June	
	2024	2023
	----- (Rupees) -----	
13.2 Geographical information		
Pakistan	11,064,622,058	9,259,296,779
Afghanistan	698,657,910	440,794,157
France	98,790,565	38,068,702
United Arab Emirates	86,084,746	84,893,521
Iraq	40,880,365	45,082,129
Kenya	22,050,286	20,528,934
Sudan	8,274,295	-
Cambodia	6,868,537	3,755,906
Tanzania	-	10,852,518
Mauritius	-	1,100,762
Other	12,394,388	9,552,574
	12,038,623,150	9,913,925,982

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

For the Period Ended 30 June 2024

	Un-audited			
	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2024	2023	2024	2023
	----- (Rupees) -----			
14. COST OF REVENUE				
Opening stock of finished goods	327,824,635	1,484,471,455	352,833,984	1,368,697,572
Cost of goods manufactured	5,540,109,410	3,420,070,069	2,567,787,062	1,192,118,779
Purchased finish products	509,848,340	1,309,350,554	338,525,856	926,697,812
Available stock for sale	6,377,782,384	6,213,892,078	3,259,146,902	3,487,514,163
Closing stock of finished goods	(327,824,635)	(779,086,516)	(327,824,635)	(779,086,516)
Cost of sales	6,049,957,750	5,434,805,562	2,931,322,268	2,708,427,647

	Un-audited	
	Six Months Period Ended 30 June	
	2024	2023
	----- (Rupees) -----	
15. OTHER INCOME		
Income from financial assets:		
Return on deposits	8,360,987	2,265,340
Profit on term deposit receipts	26,815,858	6,584,117
Dividend Income on short-term investment	96,257,441	40,948,041
Reversal of provision for expected credit loss	-	178,358
Unrealized gain on re-measurement of short term investment to fair value	-	15,439,797
Realized gain on redemption of short term investment	36,216,652	-
Exchange gain - net	5,350,083	10,633,107
Income from non-financial assets:		
Gain on disposal of operating fixed assets	11,367,216	6,184,557
Scrap sales	5,330,895	264,553
Others	18,612,176	-
	208,311,308	82,497,870

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

For the Period Ended 30 June 2024

16. RELATED PARTY TRANSACTIONS

The related parties of the Group comprise subsidiary, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel. The Group carries out transactions with various related parties. Significant transactions and balances with related parties that were not disclosed elsewhere are as follows:

16.1 Transactions during the period:

			(Un-audited)	
			Six Months Period Ended	
			30 June	
			2024	2023
------(Rupees)-----				
Name of related party	Relationship	Nature of transaction		
Route 2 health (Pvt) Ltd	Associate (Common directorship)	Purchases	17,049,397	409,336,336
		Dividend paid	17,373,889	10,772,000
Pharmatec Investments Ltd	Associate (Common directorship)	Dividend paid	194,226,703	-
Staff provident fund	Employee benefit fund	Contribution for the period	99,460,960	42,898,733
		Dividend paid	6,406,500	3,376,300
Employees' Welfare Trust	Employee benefit fund	Contribution for the period	72,631,538	2,080,955
		Dividend paid	6,582,136	1,902,360
Remuneration of:				
Chief executive officer	Employment	Remuneration	20,050,249	17,557,643
Directors	Directorship	Remuneration	12,751,386	9,696,794
Executives	Employment	Remuneration	478,723,019	391,019,421

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

For the Period Ended 30 June 2024

16.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of transaction	(Un-audited)	
			Six Months Period Ended	
			2024	2023
			------(Rupees)-----	
Route 2 health (Pvt) Ltd	Associate (Common directorship)	Trade and other payables	16,969,061	-
Pharmatec Investments Ltd	Associate (Common directorship)	Unpaid dividend	27,754,230	111,299,848
Staff provident fund		Trade and other payables	5,361,469	11,862,140

17. FINANCIAL RISK MANAGEMENT

17.1 Financial risk factors

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2023.

17.2 Fair values of financial assets and liabilities

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2023.

18. 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 Condensed Interim Consolidated Financial Statements (Un Audited)

For the Period Ended 30 June 2024

19. CORRESPONDING FIGURES

Corresponding figures have been re-arranged 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 for the following.

			Six Months Period Ended 30 June 2023	Three Months Period Ended 30 June 2023
	Reclassification from	Reclassification to	----- (Rupees) -----	
Statement of Profit or Loss				
Reclassification of income tax to Levy	Taxation	Levy	12,688,498	5,178,575

20. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Group authorized these consolidated condensed interim financial statements for issuance on 29 August 2024.

21. 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

17.5 Kilometer Multan Road,
Lahore - 53700, Pakistan.
Tel: + 92 42 111 000 465,
Fax: + 92 42 3751 0037
Email: info@highnoon.com.pk
Web: www.highnoon-labs.com