



**Innovate to  
Accelerate**



**Highnoon**

Un-audited  
Financial Statements  
For the Half Year  
Ended 30 June 2023





# CONTENTS

Company Information	3
Directors' Report	ڈائریکٹرز رپورٹ 4-5
<b>Condensed Interim Un-consolidated Financial Statements</b>	<b>7</b>
- Condensed Interim Un-Consolidated Statement of Financial Position	8-9
- Condensed Interim Un-Consolidated Statement of Profit or Loss	10
- Condensed Interim Un-Consolidated Statement of Comprehensive Income	11
- Condensed Interim Un-Consolidated Statement of Cash Flows	12-13
- Condensed Interim Un-Consolidated Statement of Changes in Equity	14
- Notes to the Condensed Interim Un-Consolidated Financial Statements	15
<b>Condensed Interim Consolidated Financial Statements</b>	<b>27</b>
- Condensed Interim Consolidated Statement of Financial Position	28-29
- Condensed Interim Consolidated Statement of Profit or Loss	30
- Condensed Interim Consolidated Statement of Comprehensive Income	31
- Condensed Interim Consolidated Statement of Cash Flows	32-33
- Condensed Interim Consolidated Statement of Changes in Equity	34
- Notes to the Condensed Interim Consolidated Financial Statements	35



## Innovate to Accelerate

We believe in taking risks and embracing change. We're constantly leveraging modern technologies, creating differentiated offerings, pushing the boundaries of what's possible and seeking new ways to accelerate our progress.

Innovation breeds progress and growth. And we're determined to create a culture of creativity and collaboration to encourage our people to think outside the box and embrace new ideas.

At every step, we remind ourselves that these innovations are not only for our profitability. We also have to make a positive impact on the world. Whether it's supporting local communities, reducing our environmental footprint, or promoting ethical business practices, we are making a meaningful difference through our Environmental Social Governance program.

So let us embrace innovation and all that it represents. Let us be bold, daring, curious and creative and use our passion to strive for a brighter future. For with innovation, anything is possible, and possibilities are limitless.

Dr. Adeel Abbas  
Chief Executive Officer

# 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. Romesh A.J.Elapata  
Director

Mrs. Zainub Abbas  
Director

Mrs. Nael Najam  
Director\*

\*Ms. Nael Najam resigned on 19 December 2022 and was replaced by Mr. Tariq Wajid on 24 February 2023

## Chief Financial Officer

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

## Chief Internal Auditor

Ms. Annie Mazher Malik  
Tel: +92 42 3515 8051  
Email:  
annie.mazher@highnoon.com.pk

## Company Secretary

Ms. Mahnoor Ather  
Tel: +92 42 35158051  
Email:  
mahnoor.ather@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

## 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 :  
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 &  
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

Ms. Zainub Abbas  
Member

Mr. Ghulam Hussain Khan  
Member

\* resigned on 19 December 2022

## Human Resource and Remuneration Committee

Mrs. Nael Najam\*  
Chairperson

Mrs. Zainub Abbas  
Member

Dr. Adeel Abbas Haideri  
Member

\*resigned on 19 December 2022

## Management 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)

Mr. Azfar Abbas Haideri Member  
Chief Commercial Officer

Mr. Zulfiqar Zaidi Member  
Director HR and Strategic  
Planning

Mr. Shahnawaz Baig Member  
Group Director  
Commercial Excellence

## I.T. Steering Committee

Dr. Adeel Abbas Haideri Chairman  
Chief Executive Officer

Mr. Ashfaq P. Alidina Member  
Chief Financial Officer

Mr. Sajjad Hafeez Member  
Chief Operating Officer  
(Technical)

Mr. Ali Ahmed Sarwar Member  
Chief Information Officer

Mr. Taufiq Ahmed Khan Member  
Director

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the unaudited condensed interim financial statements of Highnoon Laboratories Limited and consolidated financial statements with its wholly owned subsidiary for the half-year ended June 30, 2023.

Highnoon generated net sales revenue of Rs. 9,815 million during the period under review as compared to Rs. 7,871 million in the same period last year (SPLY) registering a growth of 24.7%. Despite a challenging economic terrain marked by a volatile dollar rupee parity and highest yet recorded inflation levels, our gross profit depicted a steady increase of 11.8% over SPLY in absolute terms, signifying our continued focus on innovative supply chain practices, well-disciplined operations and ever improving internal control environment. The profit after tax for the period grew by 9.9 % over same period last year. Overall, the increase in profitability is attributable to rise in sales volume of our leading brands and developing a competitive edge in manufacturing by deploying cost efficiency and operational excellence programs across the value chain.

On a consolidated basis, the Company achieved a net profit after tax of Rupees 1.21 billion showing an increase 8.2% increase as compared to the corresponding period.

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: 15 August 2023

## ڈائریکٹرز رپورٹ

آپ کی کمپنی اور گروپ کی 30 جون 2023 کو ختم ہونے والی ششماہی کے فیئر پڑتال شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے ہمیں خوشی محسوس ہو رہی ہے۔

آپ کی کمپنی نے زیر جائزہ مدت کے دوران 9,815 ملین روپے کی خالص آمدن فروخت حاصل کی جبکہ گزشتہ سال کی اسی مدت میں خالص آمدن فروخت 7,871 ملین روپے تھی جو کہ 24.7 فیصد کا اضافہ ظاہر کرتی ہے۔ ڈالر کے مقابلے میں روپے کی قدر میں اتار چڑھاؤ اور تاریخ کی بلند ترین مہنگائی کی وجہ سے مشکل ترین معاشی حالات کے باوجود مجموعی طور پر ہمارے گراس منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 11.8 فیصد کا مسلسل اضافہ ہوا ہے جو کہ خام مال کی خریداری کے نئے طریقوں، منظم پیداواری مراحل اور بتدریج بہتر ہوتے ہوئے اندرونی کنٹریولز پر مسلسل توجہ کی دلیل ہے۔ اس مدت میں بعد از ٹیکس منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 9.9 فیصد کا اضافہ ہوا۔ مجموعی طور پر، منافع میں اضافے کا سبب ہمارے سرکردہ برانڈز کی فروخت کے حجم میں اضافہ اور پیداواری مراحل میں مسابقتی برتری حاصل کرنے کے لئے بلاگت میں کمی اور پیداوار کے ہر مرحلے میں لگاؤ اور بہتری کے لئے پروگرام لاگو کیے گئے۔

گروپ کا مجموعی بعد از ٹیکس منافع 1.21 ارب روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 8.2 فیصد کا اضافہ ظاہر کرتا ہے۔

آپ کا بورڈ آمدن فروخت میں اضافے کو برقرار رکھنے اور بلاگت کو کم رکھنے کی طرف مستقل توجہ دینے پر یقین رکھتا ہے۔ ہمیں یقین ہے کہ ہم اپنے کاروباری اہداف کو پورا کریں گے اور ماضی کی طرح ترقی کرتے رہیں گے۔

ہم اپنے تمام کاروباری شراکت داروں کی مسلسل سرپرستی کا بورڈ کی جانب سے تہہ دل سے شکریہ ادا کرنا چاہتے ہیں اور اپنے تمام ملازمین کی پر عزم کوششوں کا خصوصی شکریہ ادا کرتا ہوں۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان  
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری  
چیف ایگزیکٹو آفیسر

لاہور: 15 اگست 2023



## Condensed Interim Un-Consolidated Financial Statements

Highnoon Laboratories Limited  
for the Six Months ended 30 June 2023



## Condensed Interim Un-Consolidated Statement of Financial Position As at 30 June 2023 (Un Audited)

		Un Audited 30 June 2023	Audited 31 December 2022
Note		------(Rupees)-----	
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
100,000,000 (31 December 2022: 50,000,000)			
		1,000,000,000	500,000,000
		<hr/>	
	Issued, subscribed and paid up share capital	529,833,630	418,840,820
	Capital reserve	361,846,491	366,714,040
	Revenue reserves	6,909,460,257	6,659,681,588
	<b>Total Equity</b>	<b>7,801,140,378</b>	<b>7,445,236,448</b>
<hr/>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
	Lease liabilities	163,040,076	183,933,646
	Long-term advances	26,341,786	25,087,760
	Long-term loan - secured	516,744,093	15,439,012
	Deferred liabilities	509,491,034	530,660,193
		1,215,616,989	755,120,611
<hr/>			
<b>Current liabilities</b>			
	Trade and other payables	1,071,268,550	1,503,748,779
	Contract liabilities	16,471,993	72,263,670
	Unclaimed dividend	187,642,665	98,853,172
	Unpaid dividend	119,966,940	63,474,580
	Current portion of long-term liabilities	126,492,923	112,276,756
	Short term borrowings	628,173,045	464,505,032
	Provision for taxation-net	405,587,337	124,621,903
		2,555,603,453	2,439,743,892
	<b>Total liabilities</b>	<b>3,771,220,442</b>	<b>3,194,864,503</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,572,360,820</b>	<b>10,640,100,951</b>
<hr/>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
		7	

The annexed notes from 1 to 21 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 Financial Position As at 30 June 2023 (Un Audited)

		Un Audited 30 June 2023	Audited 31 December 2022
Note		------(Rupees)-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
	8	2,639,322,944	2,058,612,015
		35,361,602	35,835,396
		200,000,000	200,000,000
		48,576,589	48,176,589
		70,222,489	32,774,328
		121,155,333	34,531,275
		3,114,638,957	2,409,929,603
<b>Current assets</b>			
	9	3,479,113,142	3,835,094,512
	10	2,355,967,956	1,330,336,964
		1,018,367,763	971,808,060
		27,407,765	31,697,863
		10,000,000	10,000,000
	11	681,987,037	1,193,596,924
		423,895,370	425,021,817
	12	460,982,830	432,615,208
		8,457,721,863	8,230,171,348
<b>TOTAL ASSETS</b>		<b>11,572,360,820</b>	<b>10,640,100,951</b>

  
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 2023

Note	Six Months Period Ended 30 June		Three Months Period Ended 30 June		
	2023	2022	2023	2022	
	------(Rupees) -----		------(Rupees) -----		
Revenue from contracts with customers- net	13	9,815,249,353	7,871,085,203	4,942,468,511	4,115,050,835
Cost of revenue	14	(5,401,438,100)	(3,923,155,243)	(2,741,270,014)	(2,048,096,464)
<b>Gross profit</b>		<b>4,413,811,253</b>	<b>3,947,929,960</b>	<b>2,201,198,497</b>	<b>2,066,954,371</b>
Distribution, selling and promotional expenses		(2,110,642,529)	(2,043,462,904)	(983,202,118)	(1,038,419,853)
Administrative and general expenses		(386,070,128)	(320,919,859)	(185,398,318)	(180,925,891)
Research and development expenses		(6,158,462)	(5,323,129)	(3,212,210)	(2,508,467)
Other operating expenses		(162,506,984)	(174,702,424)	(75,509,234)	(113,381,613)
		(2,665,378,103)	(2,544,408,316)	(1,247,321,880)	(1,335,235,824)
<b>Operating profit</b>		<b>1,748,433,150</b>	<b>1,403,521,644</b>	<b>953,876,617</b>	<b>731,718,547</b>
Other income	15	83,355,634	140,596,583	34,964,070	82,446,477
Finance costs		(28,325,716)	(15,209,676)	(27,483,134)	(13,867,477)
<b>Profit before taxation</b>		<b>1,803,463,068</b>	<b>1,528,908,551</b>	<b>961,357,553</b>	<b>800,297,547</b>
Taxation	16	(601,837,556)	(435,557,110)	(385,240,149)	(240,646,069)
<b>Profit for the Period</b>		<b>1,201,625,512</b>	<b>1,093,351,441</b>	<b>576,117,404</b>	<b>559,651,478</b>
			Restated		Restated
<b>Earnings per share - basic and diluted</b>	17	<b>22.68</b>	20.64	<b>10.87</b>	10.56

The annexed notes from 1 to 21 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 2023

	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2023	2022	2023	2022
	------(Rupees) -----		------(Rupees) -----	
Profit for the period	1,201,625,512	1,093,351,441	576,117,404	559,651,478
Other comprehensive income				
- Other comprehensive income that may be reclassified to profit or loss in subsequent periods	-	-	-	-
- Other comprehensive income that will not be reclassified to profit or loss in subsequent periods				
Effect of change in tax rate on:				
Revaluation surplus of operating fixed assets	(8,044,442)	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,193,581,070</b>	<b>1,093,351,441</b>	<b>576,117,404</b>	<b>559,651,478</b>

The annexed notes from 1 to 21 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 2023

	Note	Six Months Period Ended 30 June	
		2023	2022
		------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		1,803,463,068	1,528,908,551
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of operating fixed assets		80,262,378	86,671,683
Depreciation of right-of-use asset		31,924,805	-
Amortization of intangible assets		3,918,774	1,059,450
Gain on disposal of property plant and equipment		(6,184,557)	-
Exchange gain / (loss) - net		(10,633,107)	17,959,975
Unrealized gain on short term investments		(15,439,797)	-
Dividend Income on short-term investment		(40,948,041)	(132,370,853)
Provision for slow moving and obsolete stocks		(19,000,000)	142,396,841
Provision for defined benefit obligation		16,762,529	41,753,868
Provision for Workers' Profit Participation Fund		89,695,769	82,472,808
Provision for Central Research Fund		16,655,500	16,661,173
Allowance for expected credit losses		4,705,162	253,876
Finance costs		28,325,716	15,209,676
		180,045,131	272,068,497
Profit before working capital changes		1,983,508,199	1,800,977,048
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		374,981,370	17,510,861
Trade debts		(1,030,336,154)	(580,566,412)
Advances, trade deposits and prepayments		(46,559,703)	(1,799,094,940)
Other receivables		4,290,098	23,872,796
Tax refunds due from the Government		1,126,447	(341,709,796)
Increase / (Decrease) in current liabilities:			
Trade and other payables		(590,362,018)	2,038,661,822
Contract liabilities		(55,791,677)	-
		(1,342,651,637)	(641,325,669)
Cash generated from operations		640,856,562	1,159,651,379
Income taxes paid		(415,540,622)	(327,171,751)
Gratuity paid		(35,555,053)	(34,495,042)
Finance costs paid		(865,644)	(15,209,676)
		(451,961,319)	(376,876,469)
Net cash generated from operating activities	A	188,895,243	782,774,910

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

For The Six Months Ended 30 June 2023

	Note	Six Months Period Ended 30 June	
		2023	2022
------(Rupees)-----			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(503,942,887)	(281,489,894)
Long term advances		(37,448,161)	9,992,137
Net decrease / (increase) in short term investments		527,049,684	(36,465,706)
Acquisition of intangible assets		(3,444,980)	-
Increase in long term deposits - net		(400,000)	(12,677,200)
Dividend income on short term investments		40,948,041	132,370,853
Proceeds from disposal of property plant and equipment		11,186,983	-
<b>Net cash generated from / (used in) investing activities</b>	<b>B</b>	<b>33,948,680</b>	<b>(188,269,810)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities - net		(165,054,905)	(11,672,242)
Long term loan obtained / (paid)		498,051,852	(83,883,077)
Long term advances - net		1,254,026	8,660,644
Short term borrowings obtained		163,668,013	364,008,383
Dividend paid		(692,395,287)	(762,203,198)
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(194,476,301)</b>	<b>(485,089,490)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>28,367,622</b>	<b>109,415,610</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>432,615,208</b>	<b>812,049,186</b>
<b>Cash and cash equivalents at end of the period</b>		<b>460,982,830</b>	<b>921,464,796</b>

The annexed notes from 1 to 21 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 2023

	Share capital	Capital Reserves		Revenue reserves		Total
		Revaluation Surplus on operating fixed asset	General reserve	Unappropriated profit	Sub total	
Balance as at 01 January 2022 - (audited)	380,764,390	391,326,324	114,000,000	4,876,531,928	4,990,531,928	5,762,622,642
Total comprehensive income for the period ended 30 June 2022	-	-	-	1,093,351,441	1,093,351,441	1,093,351,441
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		(6,077,484)		6,077,484	6,077,484	
Issuance of bonus shares @ 10% for the year ended 31 December 2021	38,076,430			(38,076,430)	(38,076,430)	
Final dividend @ Rs. 20 per share for the year ended 31 December 2021				(761,528,779)	(761,528,779)	(761,528,779)
Balance as at 30 June 2022 - (un-audited)	418,840,820	385,248,840	114,000,000	5,176,355,644	5,290,355,644	6,094,445,304
Balance as at 01 January 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 30 June 2023	-	-	-	1,193,581,070	1,193,581,070	1,193,581,070
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		(4,867,549)		4,867,549	4,867,549	
Issuance of bonus shares @ 10% for the year ended 31 December 2022	41,884,080			(41,884,080)	(41,884,080)	
Final dividend @ Rs. 20 per share for the year ended 31 December 2022				(837,677,140)	(837,677,140)	(837,677,140)
Issuance of interim bonus shares @ 15% for the period ended 31 March 2023	69,108,730			(69,108,730)	(69,108,730)	
Balance as at 30 June 2023 (un-audited)	529,833,630	361,846,491	114,000,000	6,795,460,257	6,909,460,257	7,801,140,378

The annexed notes from 1 to 21 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 2023

### 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.

#### 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.

### 2. BASIS OF PREPARATION

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 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 31 December 2022. Comparative unconsolidated condensed interim statement of financial position is stated from annual audited unconsolidated financial statements as of 31 December 2022, whereas comparatives for unconsolidated condensed interim statement 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 30 June 2022.

2.3 The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three months ended 30 June 2023 and 30 June 2022 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 30 June 2023 and 30 June 2022.

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

### For The Six Months Ended 30 June 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 31 December 2022) 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 31 December 2022.
4. **Significant accounting policies**  
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 31 December 2022 except for 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.
- 4.1 **New standards and amendments adopted by the Company**  
The Company has adopted the certain amendments and improvements to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period as disclosed below. The said amendments did not have any material impact on these unconsolidated condensed interim financial statements.

#### Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's unconsolidated condensed interim financial statements.

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

For The Six Months Ended 30 June 2023

### Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's unconsolidated condensed interim financial statements.

	Un Audited 30 June 2023	Audited 31 December 2022
Note	----- (Rupees) -----	
<b>5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
5,905,000 (31 December 2022: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (31 December 2022: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (31 December 2022: 35,884,082) ordinary shares of Rs. 10 each issued as bonus shares	469,833,630	358,840,820
	<b>529,833,630</b>	<b>418,840,820</b>
<b>6. LONG-TERM LOAN - SECURED</b>		
MCB Bank Limited	16,744,093	15,439,012
Meezan Bank Limited	6.2 500,000,000	-
	6.1 516,744,093	15,439,012

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

For The Six Months Ended 30 June 2023

	Un Audited 30 June 2023	Audited 31 December 2022
	------(Rupees) -----	
<b>6.1</b> Set out below is the movement during the period / year:		
Opening balance	18,008,677	164,758,957
Addition during the period / year:		
Loan obtained during the year	500,000,000	26,300,000
Less: deferred grant recognized	-	(8,879,354)
	500,000,000	17,420,646
Unwinding of loan	2,308,726	6,593,103
Payment during the year	(2,260,718)	(170,764,029)
	48,008	(164,170,926)
	518,056,685	18,008,677
Current portion shown under current liabilities	(1,312,592)	(2,569,665)
Closing balance	516,744,093	15,439,012

**6.2** This represents diminishing musharakah facility obtained from Meezan Bank Limited. It carries markup at the rate of 3 months KIBOR + 0.1% per annum payable quarterly in arrears whereas principal is repayable in 16 equal quarterly instalments, in arrears, starting from 5 September 2024. This facility is secured against the title over the Musharakah assets.

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There have been no significant changes in contingencies as reported in the annual audited unconsolidated financial statements of the Company for the year ended 31 December 2022.



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

For The Six Months Ended 30 June 2023

8.1.1.1 This includes plant and machinery, having net book value amounting to Rs. 177.26 million, transferred from right of use assets.

	Un Audited 30 June 2023	Audited 31 December 2022
Note	------(Rupees)-----	
<b>8.1.2 Disposals during the period / year</b>		
Plant and machinery	-	182,311,100
Office equipment	-	184,466
Vehicles	5,002,426	12,630,271
	<b>5,002,426</b>	<b>195,125,837</b>
<b>8.2 Right of use assets</b>		
Opening book value	356,465,213	126,628,439
Additions during the period - cost	125,669,981	263,359,773
	<b>482,135,194</b>	<b>389,988,212</b>
Transferred to owned assets	(177,264,143)	-
Depreciation for the period / year	(31,924,805)	(33,522,999)
	<b>(209,188,948)</b>	<b>(33,522,999)</b>
<b>Closing book value</b>	<b>272,946,246</b>	<b>356,465,213</b>
<b>9. STOCK IN TRADE</b>		
Raw materials:		
In hand	1,721,319,022	1,660,930,812
In transit	19,891,864	21,316,285
With third party	96,818,548	197,297,237
	<b>1,838,029,434</b>	<b>1,879,544,334</b>
Packing material	699,017,674	623,009,049
Work in process	249,289,758	272,204,156
Finished goods:		
Trading -in hand	361,911,956	431,580,530
Trading -in transit	46,043,388	121,809,234
Manufactured	386,289,310	627,415,587
	<b>794,244,654</b>	<b>1,180,805,351</b>
	<b>3,580,581,520</b>	<b>3,955,562,890</b>
Less: Provision for slow moving and obsolete items	(101,468,378)	(120,468,378)
	<b>3,479,113,142</b>	<b>3,835,094,512</b>

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

For The Six Months Ended 30 June 2023

	Note	Un Audited 30 June 2023	Audited 31 December 2022
		------(Rupees)-----	
<b>10. TRADE RECEIVABLES</b>			
Foreign		78,673,169	56,554,198
Local		2,334,085,717	1,325,868,534
		2,412,758,886	1,382,422,732
Less: allowance for expected credit losses	10.1	(56,790,930)	(52,085,768)
		2,355,967,956	1,330,336,964
<b>10.1 Allowance for expected credit losses</b>			
Opening balance		52,085,768	22,372,807
Charged during the period/year		4,705,162	29,712,961
		56,790,930	52,085,768
<b>11. SHORT-TERM INVESTMENT</b>			
Investments at fair value through profit or loss			
Mutual Funds	11.1	681,987,037	1,193,596,924
<b>11.1</b>	Set out below is the movement during the period / year:		
Balance at the beginning of the year		1,193,596,924	2,059,740,193
Additions during the year		702,400,000	1,590,531,440
Redemption during the year		(1,258,676,921)	(2,465,922,190)
Realized gain/(loss) on redemption of investment during the year		29,227,237	(939,142)
Un-realized gain on remeasurement of investments during the year		15,439,797	10,186,623
Closing fair value of short-term investment		681,987,037	1,193,596,924
<b>12. CASH AND CASH EQUIVALENTS</b>			
Cash and imprest		1,984,974	1,985,459
Cash as banks:			
Current accounts			
-Local currency		55,073,635	123,858,822
-Foreign currency		40,709,308	14,431,417
		95,782,943	138,290,239
Saving accounts	12.1	163,186,528	147,049,207
Term deposit receipts	12.2	200,028,385	145,290,304
		460,982,830	432,615,208

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

### For The Six Months Ended 30 June 2023

12.1 These carry average profit at the rate of ranging from 10% to 19.50% (31 December 2022: 4.5% - 14.51%) per annum.

12.2 These carry average profit at the rate of ranging from 16% to 21% (31 December 2022: 5% - 16%) per annum.

### 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	
	2023	2022	2023	2022
	----- (Rupees) -----			
Trading and Manufactured products:				
Local	9,920,177,128	8,083,090,116	5,029,805,131	4,295,681,985
Export	654,629,204	366,073,929	311,938,643	246,624,479
	10,574,806,332	8,449,164,045	5,341,743,774	4,542,306,464
Toll Manufacturing	337,617,240	223,198,601	167,522,897	119,443,375
Less:				
Discount	(997,160,680)	(777,564,676)	(516,416,505)	(534,673,488)
Sales tax	(100,013,539)	(23,712,767)	(50,381,655)	(12,025,516)
	9,815,249,353	7,871,085,203	4,942,468,511	4,115,050,835

	Un-audited	
	Six Months Period Ended 30 June	
	2023	2022
	----- (Rupees) -----	
13.2 Geographical information		
Pakistan	9,160,620,150	7,505,011,275
Afghanistan	440,794,157	206,683,266
United Arab Emirates	84,893,521	63,972,291
France	38,068,702	26,923,735
Kenya	20,528,934	-
Iraq	45,082,129	45,374,335
Cambodia	3,755,906	12,216,745
Tanzania	10,852,518	4,112,528
Tajikistan	-	2,517,003
Mauritius	1,100,762	702,607
Other	9,552,574	3,571,418
	9,815,249,353	7,871,085,203

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

For The Six Months Ended 30 June 2023

	Un-audited			
	Six Months Period Ended		Three Months Period Ended	
	30 June		30 June	
	2023	2022	2023	2022
----- (Rupees) -----				
<b>14. COST OF REVENUE</b>				
Opening stock of finished goods	1,453,009,507	426,560,623	1,320,184,361	428,204,835
Cost of goods manufactured	3,433,322,693	3,141,118,058	1,507,887,249	1,661,589,644
Purchased finish products	1,309,350,554	653,943,969	707,443,058	256,769,392
Available stock for sale	6,195,682,754	4,221,622,650	3,535,514,668	2,346,563,871
Closing stock of finished goods	(794,244,654)	(298,467,407)	(794,244,654)	(298,467,407)
Cost of sales	5,401,438,100	3,923,155,243	2,741,270,014	2,048,096,464

	Un-audited	
	Six Months Period Ended	
	30 June	
	2023	2022
----- (Rupees) -----		
<b>15. OTHER INCOME</b>		
Income from financial assets:		
Return on deposits	2,265,340	2,464,920
Profit on Term Deposit Receipts	6,584,117	3,198,237
Dividend Income on short-term investment	40,948,041	132,370,853
Deferred Income	-	1,782,878
Unrealized gain on re-measurement of short term investment to fair value	15,439,797	-
Interest on loan to subsidiary	1,036,122	656,453
Exchange gain - net	10,633,107	-
Income from non-financial assets:		
Gain on disposal of operating fixed assets	6,184,557	-
Scrap sales	264,553	123,242
	83,355,634	140,596,583
<b>16. TAXATION-NET</b>		
Current tax		
-current period	562,111,887	409,911,265
-prior period	134,394,169	-
Deferred tax	(94,668,500)	25,645,845
	601,837,556	435,557,110

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

For The Six Months Ended 30 June 2023

	Un-audited			
	Six Months Period Ended		Three Months Period Ended	
	30 June		30 June	
	2023	2022	2023	2022
	----- (Rupees) -----			
<b>17. EARNINGS PER SHARE</b>				
Profit for the period - (Rupees)	1,201,625,512	1,093,351,441	576,117,404	559,651,478
		(Restated)		(Restated)
Weighted average number of ordinary shares outstanding during the period - (Numbers)	52,983,363	52,983,363	52,983,363	52,983,363
		(Restated)		(Restated)
Basic and diluted - (Rupees)	22.68	20.64	10.87	10.56

17.1 The basic and diluted earnings per share for the comparative periods have been restated due to the issuance of bonus shares during the period.

### 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:

	Un-audited	
	Six Months Period Ended	
	30 June	
	2023	2022
	----- (Rupees) -----	
<b>18.1 Purchase of goods</b>		
Route 2 health (Pvt) Ltd -Associate	409,336,336	485,527,813
Curexa Health (Pvt) Ltd -Subsidiary	455,370,451	368,276,465
<b>18.2 Contribution towards employees' benefits fund:</b>		
Staff provident fund	40,824,401	34,413,699
Employees' welfare trust	2,080,955	2,026,054
<b>18.3 Dividend paid</b>		
Route 2 health (Pvt) Ltd -Associate	10,772,000	-
Staff provident fund	3,376,300	3,069,380
Employees' welfare trust	1,902,360	1,729,420

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For The Six Months Ended 30 June 2023

	Un-audited Six Months Period Ended 30 June	
	2023	2022
	------(Rupees)-----	
<b>18.4 Remuneration and benefits</b>		
Chief Executive Officer	17,557,643	20,541,817
Executives	380,186,704	360,411,615

### 18.5 The outstanding balances of such parties are as under:

Nature of Balance	Un-audited Six Months Period Ended 30 June		
	2023	2022	
	------(Rupees)-----		
Route 2 health (Pvt) Ltd -Associate	Advance	190,383,918	43,510,000
Curexa Health (Pvt) Ltd -Subsidiary	Payable	65,242,659	31,268,411

## 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 31 December 2022.

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 31 December 2022.

## 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.

## 21. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated condensed interim financial statements for issuance on 15 August 2023.

Dr. Adeel Abbas Haider  
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 Six Months ended 30 June 2023



## Condensed Interim Consolidated Statement of Financial Position As at 30 June 2023 (Un Audited)

		Un Audited 30 June 2023	Audited 31 December 2022
Note		------(Rupees)-----	
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
	Authorized share capital 100,000,000 (2021: 50,000,000) Ordinary		
	Ordinary shares of Rs. 10 each	1,000,000,000	500,000,000
<b>Share capital</b>			
	Issued, subscribed and paid up share capital	6 529,833,630	418,840,820
<b>Capital reserve</b>			
	Revaluation surplus on property, plant and equipment	404,941,498	410,144,816
	Revenue reserves	7,088,501,403	6,826,126,631
	<b>Total Equity</b>	<b>8,023,276,531</b>	<b>7,655,112,267</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
	Lease liabilities	163,040,076	183,933,646
	Long-term advances	26,341,786	25,087,760
	Long-term loan - secured	7 516,744,093	15,439,012
	Deferred liabilities	509,491,034	530,660,193
		1,215,616,989	755,120,611
<b>Current liabilities</b>			
	Trade and other payables	1,077,806,371	1,561,386,941
	Contract liabilities	16,471,993	72,263,670
	Unclaimed dividend	187,642,665	98,853,172
	Unpaid dividend	119,966,940	63,474,580
	Markup accrued	2,132,468	1,669,835
	Current portion of long-term liabilities	126,569,089	112,352,922
	Short term borrowings - secured	786,076,222	511,804,639
	Provision for taxation - net	405,587,337	124,621,903
		2,722,253,085	2,546,427,662
	<b>Total liabilities</b>	<b>3,937,870,074</b>	<b>3,301,548,273</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,961,146,605</b>	<b>10,956,660,540</b>

### CONTINGENCIES AND COMMITMENTS

8

The annexed notes from 1 to 22 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 Financial Position As at 30 June 2023 (Un Audited)

		Un Audited 30 June 2023	Audited 31 December 2022
Note		------(Rupees)-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
	9	2,966,462,848	2,398,097,809
		35,361,602	35,835,396
		834,230	834,230
		48,776,589	48,376,589
		71,331,149	34,659,421
		90,290,475	4,894,894
		3,213,056,893	2,522,698,339
<b>Current assets</b>			
	10	3,702,361,532	3,999,861,938
		13,494,942	11,205,628
	11	2,355,967,956	1,330,336,964
		1,036,316,848	977,567,051
		26,238,740	25,690,879
	12	681,987,037	1,193,596,924
		469,571,582	463,007,544
	13	462,151,075	432,695,273
		8,748,089,712	8,433,962,201
		11,961,146,605	10,956,660,540
<b>TOTAL ASSETS</b>			

  
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 2023

Note	Six Months Period Ended 30 June		Three Months Period Ended 30 June		
	2023	2022	2023	2022	
	------(Rupees) -----		------(Rupees) -----		
Revenue from contracts with customers- net	14	9,913,925,982	8,083,729,768	4,958,849,786	4,327,695,401
Cost of revenue	15	(5,434,805,562)	(3,845,819,178)	(2,708,427,647)	(1,993,691,794)
<b>Gross profit</b>		<b>4,479,120,420</b>	<b>4,237,910,590</b>	<b>2,250,422,139</b>	<b>2,334,003,607</b>
Distribution, selling and promotional expenses		(2,110,642,528)	(2,256,107,470)	(983,202,117)	(1,251,064,419)
Administrative and general expenses		(417,253,781)	(346,377,837)	(200,750,371)	(195,071,704)
Research and development expenses		(6,158,462)	(5,323,129)	(3,212,210)	(2,508,467)
Other operating expenses		(165,823,350)	(178,552,472)	(76,657,721)	(115,836,833)
		(2,699,878,121)	(2,786,360,910)	(1,263,822,419)	1,564,481,424
<b>Operating profit</b>		<b>1,779,242,299</b>	<b>1,451,549,681</b>	<b>986,599,720</b>	<b>769,522,184</b>
Other income	16	82,497,870	140,047,595	34,463,857	81,971,092
Finance costs		(33,439,887)	(17,748,660)	(30,478,098)	(14,768,663)
<b>Profit before taxation</b>		<b>1,828,300,282</b>	<b>1,573,848,615</b>	<b>990,585,479</b>	<b>836,724,613</b>
Taxation		(614,414,436)	(451,875,774)	(390,360,098)	(253,078,897)
<b>Profit for the Period</b>		<b>1,213,885,846</b>	<b>1,121,972,841</b>	<b>600,225,381</b>	<b>583,645,715</b>
			Restated		Restated
<b>Earnings per share - basic and diluted</b>		<b>22.91</b>	<b>21.18</b>	<b>11.33</b>	<b>11.02</b>

The annexed notes from 1 to 22 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 2023

	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	1,213,885,846	1,121,972,841	600,225,381	583,645,715
Other comprehensive income				
Items that will be reclassified to P&L	-	-	-	-
Items that will not be reclassified to P&L	-	-	-	-
- Revaluation surplus on property Plant and equipment - Net of Tax	-	-	4,886,625	-
Effect of change in tax rate on:				
Revaluation surplus of operating fixed assets	(8,044,442)	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,205,841,404</b>	<b>1,121,972,841</b>	<b>605,112,006</b>	<b>583,645,715</b>

The annexed notes from 1 to 22 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 2023

	Six Months Period Ended 30 June	
	2023	2022
Note	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,828,300,282	1,573,848,615
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on owned assets	97,989,209	100,106,255
Depreciation on ROU Assets	31,924,805	-
Amortization	3,918,774	1,302,589
Gain on disposal of property plant and equipment	(6,184,557)	-
Exchange (gain) / loss - net	(10,633,107)	17,959,975
Unrealized gain on short term investments	(15,439,797)	-
Dividend Income on short-term investment	(40,948,041)	-
Provision for slow moving and obsolete stocks	(18,491,568)	148,173,666
Provision for defined benefit obligation	16,762,529	41,753,868
Provision for Workers' Profit Participation Fund	91,807,170	84,934,155
Provision for Central Research Fund	17,075,379	17,132,902
Allowance for expected credit losses	4,526,804	146,411
Provision for Workers' Welfare Fund	785,086	-
Finance costs	33,439,887	17,748,660
	206,532,573	429,258,481
Profit before working capital changes	2,034,832,855	2,003,107,096
Working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade	315,991,974	19,120,436
Stores and spares	(2,289,314)	-
Trade debts	(1,019,524,689)	(580,566,412)
Trade deposits and short term prepayments & advances	(58,749,797)	(1,712,792,937)
Other receivables	(547,861)	21,107,310
Tax refund due from the Government	(6,564,038)	(373,366,358)
Increase / (Decrease) in current liabilities:		
Contract liabilities	(55,791,677)	-
Trade and other payables	(592,220,035)	2,010,107,030
<b>Cash generated from operations</b>	<b>615,137,419</b>	<b>1,386,716,166</b>
Income taxes paid	(418,844,582)	(347,474,178)
Gratuity paid	(35,555,053)	(34,495,042)
Finance costs paid	(7,125,011)	(17,749,449)
Central Research Fund paid	(1,028,171)	(580,073)
	(462,552,817)	(400,298,742)
<b>Net cash generated from operating activities</b>	<b>A 152,584,602</b>	<b>986,417,424</b>

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

For The Six Months Ended 30 June 2023

	Note	Six Months Period Ended 30 June	
		2023	2022
------(Rupees)-----			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(577,611,498)	(316,529,408)
Net decrease / (increase) long term advances		(36,671,728)	10,789,949
Net decrease / (increase) short term investments		527,049,684	(36,465,706)
Acquisition of intangible assets		(3,444,980)	
Increase in long term deposits - net		(400,000)	(12,677,200)
Dividend income on short term investments		40,948,041	
Proceeds from disposal of property plant and equipment		11,186,983	
<b>Net cash flows used in investing activities</b>	<b>B</b>	<b>(38,943,499)</b>	<b>(354,882,366)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities - net		(165,054,905)	(11,672,242)
Short term borrowings		274,271,583	
Long term loan (paid) / obtained		497,739,282	(90,916,133)
Long term advances - net		1,254,026	8,678,588
Dividend paid		(692,395,287)	(762,203,198)
<b>Net cash flows used in financing activities</b>	<b>C</b>	<b>(84,185,301)</b>	<b>(856,112,985)</b>
Net decrease in cash and cash equivalents	<b>(A+B+C)</b>	<b>29,455,802</b>	<b>(224,577,927)</b>
Cash and cash equivalents at beginning of the period		432,695,273	770,441,690
<b>Cash and cash equivalents at end of the period</b>		<b>462,151,075</b>	<b>545,863,763</b>

The annexed notes from 1 to 22 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 2023

	Share capital	Capital Reserves		Revenue reserves			Total
		Revaluation Surplus on operating fixed asset	General reserve	Unappropriated profit	Sub total		
----- Rupees -----							
<b>Balance as at 01 January 2022</b>	380,764,390	391,326,324	114,000,000	4,876,531,928	4,990,531,928	5,762,622,642	
Total comprehensive income for the period ended 30 June 2022	-	-	-	1,121,972,841	1,121,972,841	1,121,972,841	
<b>Surplus transferred to unappropriated profit</b>							
On account of incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	(6,077,484)	-	6,077,484	6,077,484	-	
Transaction with owners of the company, recognized directly in equity - Distributions	-	-	-	(38,076,430)	(38,076,430)	-	
Issuance of bonus shares @ 10% for the year ended 31 December 2021	38,076,430	-	-	(761,528,779)	(761,528,779)	(761,528,779)	
Final dividend @ Rs. 15 per share for the year ended 31 December 2021	-	-	-	-	-	-	
<b>Balance as at 30 June 2022</b>	418,840,820	385,248,840	114,000,000	5,204,977,044	5,318,977,044	6,123,066,704	
<b>Balance as at 01 January 2023</b>	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 30 June 2023	-	-	-	1,205,841,404	1,205,841,404	1,205,841,404	
<b>Surplus transferred to unappropriated profit</b>							
On account of incremental depreciation relating to surplus revaluation of operating fixed assets - net of tax	-	(5,203,318)	-	5,203,318	5,203,318	-	
Transaction with owners of the company, recognized directly in equity - Distributions	-	-	-	(41,884,080)	(41,884,080)	-	
Issuance of bonus shares @ 10% for the year ended 31 December 2022	41,884,080	-	-	(837,677,140)	(837,677,140)	(837,677,140)	
Final dividend @ Rs. 20 per share for the year ended 31 December 2022	-	-	-	(69,108,730)	(69,108,730)	-	
Issuance of interim bonus shares @ 15% for the period ended 31 March 2023	69,108,730	-	-	-	-	-	
<b>Balance as at 30 June 2023</b>	529,833,631	404,941,498	114,000,000	6,974,501,403	7,088,501,403	8,023,276,531	

The annexed notes from 1 to 22 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 2023

### 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 2022. The comparative Statement of Financial Position is extracted from the annual financial statements, as of 31 December 2022, whereas the consolidated Statement of Profit or Loss, the consolidated Statement of Comprehensive Income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements for the period ended 30 June 2022.

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

### For the Period Ended 30 June 2023

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 2022.

#### 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 2022.

	Un Audited 30 June 2023	Audited 31 December 2022
Note	------(Rupees)-----	
<b>6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
5,905,000 (2022: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (2022: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (2022: 35,884,082) ordinary shares of Rs. 10 each issued as bonus shares	469,833,630	358,840,820
	<b>529,833,630</b>	<b>418,840,820</b>
<b>7. LONG-TERM LOAN - SECURED</b>		
MCB Bank Limited	16,744,093	15,439,012
Meezan Bank Limited	7.2 500,000,000	-
	7.1 516,744,093	15,439,012

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

For the Period Ended 30 June 2023

	Un Audited 30 June 2023	Audited 31 December 2022
	------(Rupees)-----	
<b>7.1</b>	The movement of Long-term loan is as follows	
Opening balance as at 01 January	18,008,677	178,615,376
Addition during the year		
Loan obtained	500,000,000	26,300,000
Less: deferred grant	-	(8,879,354)
	500,000,000	17,420,646
Unwinding of loan	2,308,726	6,839,741
Payment during the period/year	(2,260,718)	(184,867,086)
Closing balance as at 30 June / 31 December	518,056,685	18,008,677
Less: Current portion	(1,312,592)	(2,569,665)
	516,744,093	15,439,012

**7.2** This represents diminishing musharakah facility obtained from Meezan Bank Limited. It carries markup at the rate of 3 months KIBOR + 0.1% per annum payable quarterly in arrears whereas principal is repayable in 16 equal quarterly instalments, in arrears, starting from 5 September 2024. This facility is secured against the title over the Musharakah assets.

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

There have been no significant changes in contingencies since as reported in the annual audited consolidated financial statements.

	Un Audited 30 June 2023	Audited 31 December 2022
	------(Rupees)-----	
<b>8.2</b>	Commitments	
	Commitments against irrevocable letters of credit include:	
Letter of contracts	477,393,502	225,502,959
Bank contracts	148,437,878	425,823,107
Ijarah rentals	16,348,005	19,608,990
Capital expenditure	111,274,443	146,053,332
	753,453,828	816,988,388

Note

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

For the Period Ended 30 June 2023

	Un Audited 30 June 2023	Audited 31 December 2022
Note	------(Rupees)-----	
<b>8.2.1 Future payments under Ijarah:</b>		
Within one year	8,174,016	7,843,596
After one year but not more than 5 years	8,173,989	11,765,394
	<b>16,348,005</b>	<b>19,608,990</b>

### 9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets		
Owned	9.1 1,875,384,242	1,595,639,706
Right of use assets	9.2 272,946,246	356,465,213
	<b>2,148,330,488</b>	<b>1,952,104,919</b>
Advances - considered good	-	3,968,875
Capital work-in-progres	818,132,360	442,024,015
	<b>2,966,462,848</b>	<b>2,398,097,809</b>

#### 9.1 Operating fixed assets : Owned

Opening book value	1,595,639,706	1,682,948,599
Add: Additions during the period - cost	9.1.1 382,736,171	291,059,570
	<b>1,978,375,877</b>	<b>1,974,008,169</b>
Less: Book value of:		
Disposals during the period/year	9.1.2 (5,002,426)	(196,057,553)
Depreciation for the period/year	(97,989,209)	(182,310,910)
	<b>(102,991,635)</b>	<b>(378,368,463)</b>
Closing book value	<b>1,875,384,242</b>	<b>1,595,639,706</b>

#### 9.1.1 Additions during the period - cost

Freehold Land	2,152,250	-
Building on freehold land	45,108,942	94,673,350
Leasehold improvement	-	18,917,500
Plant and machinery	9.1.1.1 241,021,121	75,148,414
Laboratory equipment	1,719,700	6,445,894
Furniture and fixtures	1,782,948	9,147,478
Electric and gas appliances	16,224,840	19,712,746
Office equipment	12,084,870	14,274,888
Vehicles	62,641,500	52,739,300
	<b>382,736,171</b>	<b>291,059,570</b>

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

For the Period Ended 30 June 2023

9.1.1.1 This includes plant and machinery, having net book value amounting to Rs. 177.26 million, transferred from right of use assets.

	Un Audited 30 June 2023	Audited 31 December 2022
------(Rupees)-----		
9.1.2 Disposals during the period/year		
Plant and machinery	-	183,153,847
Office equipment	-	184,466
Vehicles	5,002,426	12,719,240
	5,002,426	196,057,553

### 9.2 Right of use assets (RoUA)

Opening book value	356,465,213	126,628,439
Add: Additions during the period - cost	125,669,981	263,359,773
	482,135,194	389,988,212
Transferred to owned assets	(177,264,143)	-
Depreciation for the period/year	(31,924,805)	(33,522,999)
	(209,188,948)	(33,522,999)
	272,946,246	356,465,213

## 10. STOCK IN TRADE

Raw materials		
In hand	1,835,573,049	1,726,625,209
In transit	68,532,222	28,657,617
With third party	96,818,548	197,297,237
	2,000,923,819	1,952,580,063
Packing material		
In hand	764,009,448	694,288,815
In transit	-	-
With third party	-	-
	764,009,448	694,288,815
Work in process	271,328,580	294,334,778
Finished goods		
Trading -in hand	340,384,049	424,503,201
Trading -in transit	46,043,388	121,809,234
Manufactured	392,659,074	643,824,242
	779,086,511	1,190,136,677
	3,815,348,358	4,131,340,333
Less: Provision for slow moving and obsolete items	(112,986,826)	(131,478,395)
	3,702,361,532	3,999,861,938

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

For the Period Ended 30 June 2023

		Un Audited 30 June 2023	Audited 31 December 2022
	Note	------(Rupees) -----	
<b>11. TRADE RECEIVABLES</b>			
Foreign		78,673,169	56,554,198
Local		2,334,085,717	1,325,868,534
		2,412,758,886	1,382,422,732
Less: allowance for expected credit losses	11.1	(56,790,930)	(52,085,768)
		2,355,967,956	1,330,336,964
<b>11.1 Allowance for expected credit losses:</b>			
Opening balance		52,085,768	22,372,807
Charged during the period/year		4,705,162	29,712,961
Written off during the period/year		-	-
		56,790,930	52,085,768
<b>12. SHORT-TERM INVESTMENT</b>			
Investments at fair value through profit or loss			
Mutual Funds	12.1	681,987,037	1,193,596,924
<b>12.1 Set out below is the movement during the period / year:</b>			
Balance at the beginning of the year		1,193,596,924	2,059,740,193
Additions during the year		702,400,000	1,590,531,440
Redemption during the year		(1,258,676,921)	(2,465,922,190)
Realized gain/(loss) on redemption of investment during the year		29,227,237	(939,142)
Un-realized gain on remeasurement of investments during the year		15,439,797	10,186,623
Closing fair value of short-term investment		681,987,037	1,193,596,924
<b>13. CASH AND BANK BALANCES</b>			
Cash and imprest		2,081,326	1,993,630
Balance with banks			
Current accounts			
-Local currency		55,145,528	123,930,715
-Foreign currency		40,709,308	14,431,417
		95,854,837	138,362,132
Saving accounts	13.1	164,186,528	147,049,207
Term deposit receipts	13.2	200,028,385	145,290,304
		460,069,749	432,695,273

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

### For the Period Ended 30 June 2023

13.1 These carry average profit at the rate of ranging from 10% to 19.50% (31 December 2022: 4.5% - 14.51%) per annum.

13.2 These carry average profit at the rate of ranging from 16% to 21% (31 December 2022: 5% - 16%) per annum.

#### 14. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET

##### 14.1 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	
	2023	2022	2023	2022
----- (Rupees) -----				
Trading and Manufactured products:				
Local	10,024,347,869	8,083,090,116	5,088,760,400	4,307,369,236
Export	654,629,204	366,073,929	302,864,013	246,624,480
	10,678,977,073	8,449,164,044	5,391,624,413	4,553,993,716
Toll Manufacturing	337,617,240	223,198,601	161,025,133	119,443,375
Less:				
Sales tax	(105,507,651)	-	(105,507,651)	-
Sales Return/Discount	(997,160,680)	(588,632,877)	(488,292,109)	(345,741,690)
	9,913,925,982	8,083,729,768	4,958,849,786	4,327,695,401

	Un-audited	
	Six Months Period Ended 30 June	
	2023	2022
----- (Rupees) -----		
14.2 Geographical information		
Pakistan	9,259,296,779	7,717,655,839
Afghanistan	440,794,157	206,683,266
United Arab Emirates	84,893,521	63,972,291
France	38,068,702	26,923,735
Kenya	20,528,934	-
Iraq	45,082,129	45,374,335
Cambodia	3,755,906	12,216,745
Tanzania	10,852,518	4,112,528
Tajikistan	-	2,517,003
Mauritius	1,100,762	702,607
Other	9,552,574	3,571,418
	9,913,925,982	8,083,729,768

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

For the Period Ended 30 June 2023

	Un-audited			
	Six Months Period Ended		Three Months Period Ended	
	30 June		30 June	
	2023	2022	2023	2022
----- (Rupees) -----				
<b>15. COST OF REVENUE</b>				
Opening stock of finished goods	1,484,471,455	423,077,851	1,368,697,572	428,204,835
Cost of goods manufactured	3,420,070,069	3,064,911,047	1,192,118,779	1,604,831,255
Purchased finish products	1,309,350,554	653,943,969	926,697,812	256,769,392
Available stock for sale	6,213,892,078	4,141,932,867	3,487,514,163	2,289,805,482
Closing stock of finished goods	(779,086,516)	(296,113,689)	(779,086,516)	(296,113,689)
Cost of sales	5,434,805,562	3,845,819,178	2,708,427,647	1,993,691,794

	Un-audited	
	Six Months Period Ended	
	30 June	
	2023	2022
----- (Rupees) -----		
<b>16. OTHER INCOME</b>		
Income from financial assets:		
Return on deposits	2,265,340	4,247,798
Profit on Term Deposit Receipts	6,584,117	3,198,237
Dividend Income on short-term investment	40,948,041	132,370,853
Unrealized gain on re-measurement of short term investment to fair value	-	-
Reversal of provision for expected credit loss	178,358	107,465
Unrealized gain on re-measurement of short term investment to fair value	15,439,797	
Interest on loan to subsidiary	-	-
Exchange gain - net	10,633,107	-
Income from non-financial assets:		
Gain on disposal of operating fixed assets	6,184,557	-
Scrap sales	264,553	123,242
	82,497,870	140,047,595

### 17. 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:

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

For the Period Ended 30 June 2023

	Un-audited			
	Six Months Period Ended		Three Months Period Ended	
	30 June		30 June	
	2023	2022	2023	2022
----- (Rupees) -----				
<b>17.1 Purchase of goods</b>				
Route 2 health (Pvt) Ltd - Associate	409,336,336	485,527,813	215,020,749	360,056,586
<b>17.2 Dividend paid to associates</b>				
Route 2 health (Pvt) Ltd -Associate	10,772,000	-	-	-
Staff provident fund	3,376,300	3,069,380	-	-
Employees' welfare trust	1,902,360	1,729,420	-	-
<b>17.3 Contribution towards employees' benefits fund:</b>				
Staff provident fund	42,898,733	36,155,686	17,841,150	15,058,981
Employees' welfare trust	2,080,955	4,052,109	1,041,167	2,019,293
<b>17.4 Contribution towards employees' benefits fund:</b>				
Chief Executive Officer	840,330	17,675,437	375,381	6,720,327
Director	332,983	6,666,233	166,492	3,333,117
Executives	17,683,057	328,804,851	6,711,123	138,366,457
<b>17.5 Remuneration of chief executive, directors and executives</b>				
Chief Executive Officer	17,557,643	17,675,437	20,541,817	6,720,327
Director	9,696,794	6,666,233	4,116,233	3,333,117
Executives	391,019,421	328,804,851	365,629,040	138,366,457

17.6 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of Balance	Un-Audited	Audited
		30 June 2023	31 December 2022
----- (Rupees) -----			
Route 2 health (Pvt) Ltd -Associate	Advance	190,383,918	43,510,000
Staff provident fund	Payable	793,260	1,369,664

## 18. FINANCIAL RISK MANAGEMENT

### 18.1 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 2022.

## Notes to the Condensed Interim Consolidated

### Financial Statements (Un Audited)

#### For the Period Ended 30 June 2023

#### 18.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in these consolidated 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 consolidated condensed interim financial statements.

##### Fair value hierarchy

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

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

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

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

As at 30 June 2023, the Company held the following financial instruments carried at fair value on the statement of financial position:

##### Financial assets measured at fair value

	Un-Audited 30 June 2023	Audited 31 December 2022
	----- (Rupees) -----	
<b>Fair value through profit and loss (fvtpl):</b>		
Investment in Mutual funds - (Level 1)	681,987,037	1,193,596,924

There were no financial liabilities measured at fair value as at 30 June 2023 and 31 December 2022. During the six month period ended 30 June 2023, there were no transfers between different levels of fair value measurements.

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

For the Period Ended 30 June 2023

	Un-Audited 30 June 2023		Audited 31 December 2022	
	Amortized cost	Fair value through profit and loss	Amortized cost	Fair value through profit and loss
<b>18.3 Financial instruments by categories</b>				
Financial assets as per statement of financial position:				
Long-term deposits	48,776,589	-	48,376,589	-
Long-term advances	71,331,149	-	34,659,421	-
Trade receivables	2,355,967,956	-	1,330,336,964	-
Advances, trade deposits and prepayments	1,036,316,848	-	977,567,051	-
Other receivables	26,238,740	-	25,690,879	-
Cash and bank balances	462,151,075	-	432,695,273	-
Short-Term Investments	-	681,987,037	-	1,193,596,924
	4,000,782,357	681,987,037	2,849,326,177	1,193,596,924
Financial liabilities as per statement of financial position:				
Lease liabilities	163,040,076		183,933,646	
Long-term advances	26,341,786		25,087,760	
Long-term loan - secured	516,744,093		15,439,012	
Trade and other payables	1,077,806,371		1,561,386,941	
Unclaimed dividend	187,642,665		98,853,172	
Markup accrued	2,132,468		1,669,835	
Current portion of long-term liabilities	126,569,089		112,352,922	
Short term borrowings - secured	786,076,222		511,804,639	
	2,886,352,770		2,510,527,927	

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

For the Period Ended 30 June 2023

**19. SEGMENT REPORTING**

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

**20. 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.

**21. DATE OF AUTHORIZATION OF ISSUE**

The Board of Directors of the Group authorized these consolidated condensed interim financial statements for issuance on 15 August 2023.

**22. 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 42 111 000 456, Fax: + 92 42 3751 0037

Email: [investor.relations@highnoon.com.pk](mailto:investor.relations@highnoon.com.pk) ,

Web: [www.highnoon-labs.com](http://www.highnoon-labs.com)