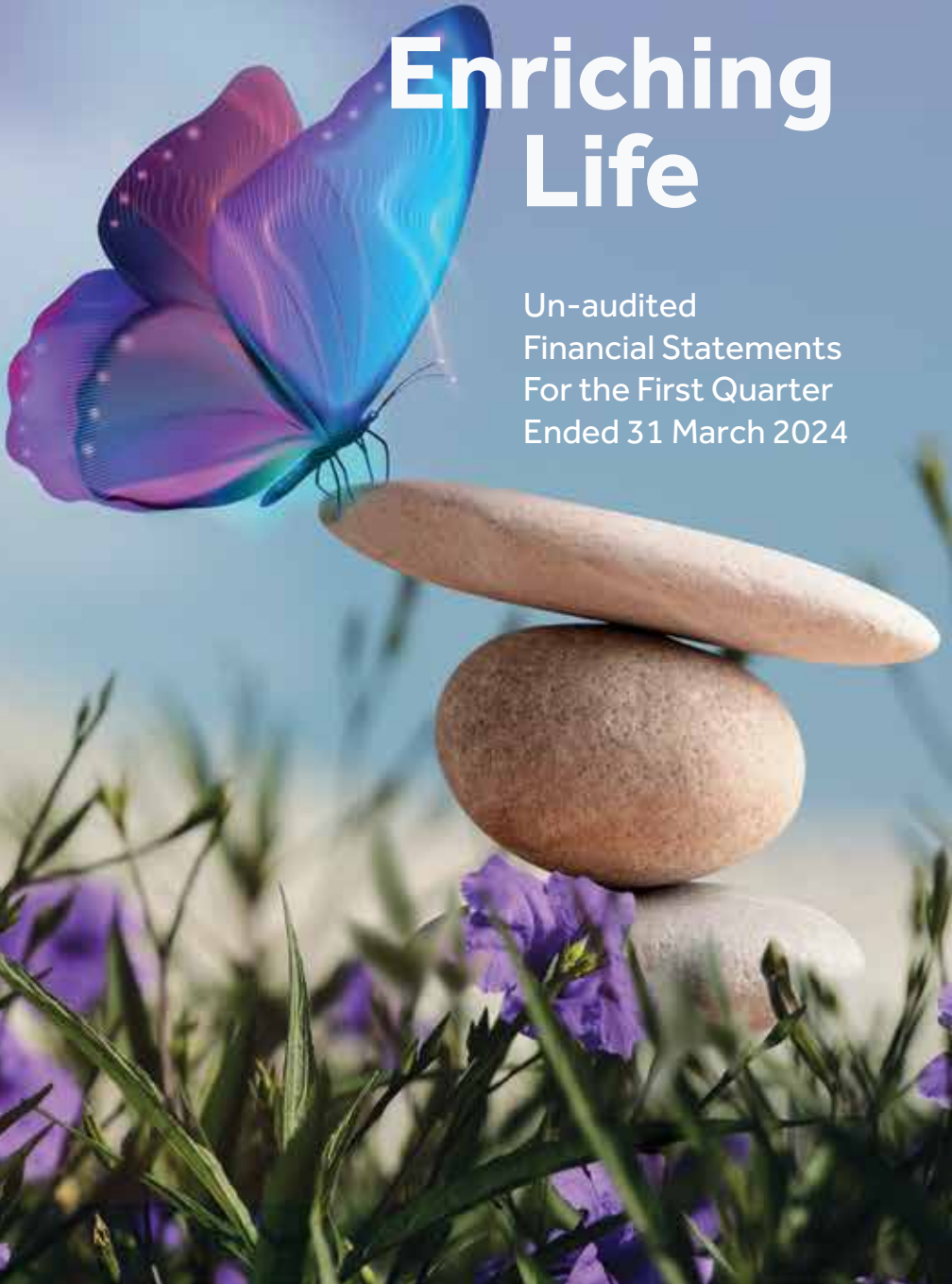




Highnoon

Enriching Life

Un-audited
Financial Statements
For the First Quarter
Ended 31 March 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. Romesh 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

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

EY Ford Rhodes Chartered
Accountants

Shares Registrar

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

Audit Committee

Mr. 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

We are pleased to present the unaudited condensed interim financial statements of your Company and the Group for the three-month period ended on March 31, 2024.

During this period, your Company achieved net sales of Rs. 5,614 million verses Rs. 4,872 million in the corresponding period, representing a growth rate of 15% mainly driven by organic growth. Intact focused on key brands and leading product portfolio enhanced gross margin by 4 basis points, rising from 45% to 49%, simultaneously demonstrating effective cost management strategies.

Highnoon expects to maintain a continued strong focus on margin improvements, while retaining flexibility to invest in future growth. Distribution and Sales promotion expenses experienced an increase of 23% compared to the previous year, primarily driven by targeted marketing initiatives. Simultaneously diligent efforts in working capital management facilitated efficient financial investment planning, resulting in a financial income of Rs. 70 million, marking a substantial growth of 45% versus last year.

The synergy of robust revenue growth and prudent resource utilization contributed to a commendable profit after tax of Rs. 763 million, representing a notable increase of 22% over the same period last year.

	YTD March' 24	YTD March' 23	GOLY
	Fig in Rs. ('000)		%
Sales	5,614,219	4,872,780	15%
Other Income	70	48	45%
Profit after Tax	763	626	22%

This performance underscores the Company's commitment to sustainable growth and prudent financial management practices, positioning it favorably for continued success in the future.

Despite major changes in operations and revamping in marketing & distribution of products, the Group maintained a steady gross margin through effective cost monitoring and operational efficiencies. The Group's profit after tax rose to Rs. 809 million from Rs. 614 million in the same period last year, marking a 32% increase.

During the period under review, state enacted deregulation of prices for non-essential drugs, allowing pharmaceutical companies to determine prices based on input costs, thereby ensuring availability of pharmaceutical products.

At Highnoon, we prioritize societal welfare alongside market growth. Committed to community well-being, we expand our market share ethically despite socio-economic challenges. Our enduring dedication to ethical practices ensures alignment with our core values. Despite hurdles like exchange rate volatility and inflation, our resilience and commitment to innovation drive us forward. Challenges are opportunities for us to innovate, and with determination, we will shape a brighter future for organization and our communities.

The Board extends its heartfelt gratitude to all its stakeholders helping us enriching the lives of the people, globally. We also express special appreciation to our dedicated employees and management for their unwavering efforts, which contributed to a highly satisfactory performance in the first quarter of the year 2024.

For & On behalf of the Board



Dr. Adeel Abbas Haideri
Chief Executive Officer


Lahore: 29 April 2024



Taufiq Ahmed Khan
Director

بورڈ اپنے تمام اسٹیک ہولڈرز کا تہہ دل سے شکریہ ادا کرتا ہے جنہوں نے عالمی سطح پر لوگوں کی زندگیوں کو بہتر بنانے میں ہماری مدد کی۔ ہم اپنے پر عزم ملازمین اور انتظامیہ کے لیے ان کی غیر متزلزل کوششوں کے لیے خصوصی تعریف کا اظہار کرتے ہیں، جنہوں نے سال 2024 کی پہلی سہ ماہی میں انتہائی تسلی بخش کارکردگی حاصل کرنے میں اہم کردار ادا کیا۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر

لاہور: 29 اپریل 2024

ڈائریکٹرز رپورٹ

ہمیں 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے کمپنی اور گروپ کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اس مدت کے دوران آپ کی کمپنی نے 5,614 ملین روپے کی خالص فروخت حاصل کی جو کہ پچھلے سال کی اسی مدت میں 4,872 ملین روپے تھی، اس طرح 15% کی نمو کی حاصل ہوئی۔ کلیدی برانڈز اور سرکردہ پروڈکٹ پورٹ فولیو پر اپنی توجہ مرکوز کرتے ہوئے مجموعی مارجن میں 4% اضافہ ہوا، جو کہ 45% سے بڑھ کر 49% ہو گیا، جو کہ لاگت کو موثر طور پر کنٹرول کرنے کا نتیجہ ہے۔

ہائونو مستقبل کی نمو میں سرمایہ کاری کی گنجائش برقرار رکھتے ہوئے مارجن میں بہتری پر مسلسل توجہ مرکوز رکھنے کی توقع رکھتا ہے۔ دو ایسوں کی ترسیل اور فروخت کے فروغ کے اخراجات میں، بنیادی طور پر نارگٹڈ مارکیٹنگ کے اقدامات کی وجہ سے پچھلے سال کے مقابلے میں 23% کا اضافہ ہوا۔ اس کے ساتھ ساتھ ورکنگ کیمپبل مینجمنٹ میں مستعد کوششوں نے موثر مالیاتی سرمایہ کاری کی منصوبہ بندی میں ہولٹ فراہم کی، جس کے نتیجے میں 70 ملین روپے کی مالی آمدنی ہوئی۔ جو کہ گزشتہ سال کے مقابلے میں 45% کی خاطر خواہ نمو ظاہر کرتی ہے۔

آمدنی میں اضافے اور وسائل کے دانشمندانہ استعمال کی ہم آہنگی سے 763 ملین روپے کے بعد از ٹیکس قابل ستائش منافع حاصل ہوا جو پچھلے سال کی اسی مدت کے مقابلے میں 22 فیصد کے قابل ذکر اضافے کی نشان دہی کرتا ہے۔


	2023، 31 مارچ	2024، 31 مارچ	
فیصد تبدیلی			روپے، ہزار میں
%			
15%	4,872,780	5,614,219	خالص فروخت
45%	48	70	متفرق آمدن
22%	626	763	بعد از ٹیکس منافع

یہ کارکردگی کمپنی کے پائیدار ترقی کے عزم اور مالیاتی نظم و نسق کے دانشمندانہ طریقوں کی نشاندہی کرتی ہے، جو اسکے مستقبل میں مسلسل کامیابی کی نوید ہے۔

آپریشنز میں بڑی تبدیلیوں اور مصنوعات کی مارکیٹنگ اور ترسیل میں اصلاح کے باوجود، گروپ نے لاگت کی مؤثر نگرانی اور اعلیٰ آپریشنل کارکردگی کے ذریعے مستحکم مجموعی مارجن کو برقرار رکھا۔ گروپ کا بعد از ٹیکس منافع پچھلے سال کی اسی مدت میں 614 ملین روپے سے بڑھ کر اس سال 809 ملین روپے ہو گیا، جو کہ 32 فیصد اضافہ ہے۔

زیر جائزہ مدت کے دوران، حکومت نے غیر ضروری ادویات کے لیے قیمتوں کی ڈی ریگولیشن کا نظام نافذ کیا، جس سے دواساز کمپنیوں کو لاگت کی بنیاد پر قیمتوں کا تعین کرنے کی اجازت دی گئی، اس طرح ہر طرح کی دواؤں کی دستیابی کو یقینی بنایا گیا۔

ہائونو میں، ہم مارکیٹ کی نمو کے ساتھ ساتھ سماجی بہبود کو بھی ترجیح دیتے ہیں۔ کمیونٹی کی بہبود کے لیے پرعزم، ہم سماجی و اقتصادی مشکلات کے باوجود اخلاقیات کو ملحوظ خاطر رکھتے ہوئے اپنے مارکیٹ ٹینرز کو بڑھاتے ہیں۔ اخلاقیات کو ملحوظ خاطر رکھنے کی ہماری مستقل لگن ہماری بنیادی اقدار کے ساتھ ہم آہنگی کو یقینی بناتی ہے۔ شرح مبادلہ میں اتار چڑھاؤ اور افراط زر جیسی رکاوٹوں کے باوجود، ہماری مضبوطی اور جدت سے وابستگی ہمیں آگے بڑھاتی ہے۔ مشکلات ہمارے لیے نئے نئے حل تلاش کرنے کے مواقع ہیں، اور عزم کے ساتھ، ہم کمپنی اور اپنی کمیونٹیز کے لیے ایک روشن مستقبل کی تشکیل کریں گے۔


A close-up photograph of a person's hand using a white calculator on a desk. The hand is holding a pen and is positioned over the calculator's keypad. Several gold coins are scattered on the desk surface, some stacked. In the background, there are blurred documents and a green ruler. The overall scene suggests a financial or accounting activity.

**Condensed Interim Un-Consolidated
Financial Statements**
Highnoon Laboratories Limited
for the First Quarter ended 31 March 2024


Condensed Interim Un-Consolidated Statement of Financial Position As at 31 March 2024 (Un Audited)

		Un Audited 31 March 2024	Audited 31 December 2023
Note		------(Rupees) -----	
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized share capital			
		100,000,000 (2023: 100,000,000) ordinary shares of Rs.10 each	
	3	1,000,000,000	1,000,000,000
	3	529,833,630	529,833,630
Capital reserve			
		Surplus on revaluation of property, plant and equipment - net of tax	
		888,867,518	899,339,441
Revenue reserves			
		Accumulated profit	
		8,941,118,048	8,167,526,233
		Total Equity	9,596,699,304
		10,359,819,196	9,596,699,304
LIABILITIES			
Non-current liabilities			
Lease liabilities			
		385,605,419	255,016,794
	4	603,966,084	647,716,085
Long-term loan - secured			
		113,965,344	122,734,865
Deferred tax liabilities			
		539,261,302	528,770,871
		1,642,798,149	1,554,238,615
Current liabilities			
Trade and other payables			
		1,643,602,103	2,055,832,586
Contract liabilities			
		52,693,848	63,189,035
Unclaimed dividend			
		138,561,386	138,561,386
Unpaid dividend			
		69,804,017	111,299,848
	5	249,492,297	342,116,387
Current portion of long-term liabilities			
		99,878,790	163,894,091
		2,254,032,441	2,874,893,333
		Total liabilities	4,429,131,948
		3,896,830,590	4,429,131,948
		TOTAL EQUITY AND LIABILITIES	14,025,831,252
		14,256,649,786	14,025,831,252
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed notes from 1 to 18 form an integral part of these unconsolidated 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 31 March 2024 (Un Audited)

		Un Audited 31 March 2024	Audited 31 December 2023	
Note		------(Rupees)-----		
ASSETS				
Non-current assets				
	Property, plant and equipment	7	3,452,336,751	3,516,225,615
	Intangible assets		30,187,568	32,285,579
	Long-term investment		200,000,000	200,000,000
	Long-term deposits		22,245,429	23,943,429
	Loan to employees		65,547,229	56,230,067
			3,770,316,977	3,828,684,690
Current assets				
	Inventories	8	3,881,367,782	4,713,751,445
	Trade receivables	9	2,908,840,974	2,120,418,793
	Advances, trade deposits and prepayments		1,060,621,608	575,539,494
	Other receivables		22,765,647	15,143,343
	Loan to subsidiary		-	10,000,000
	Short-term investment	10	1,393,934,891	2,168,794,002
	Tax refunds due from the Government		499,677,132	389,161,753
	Cash and bank balances	11	719,124,775	204,337,732
			10,486,332,809	10,197,146,562
TOTAL ASSETS			14,256,649,786	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 Profit or Loss (Un Audited) For the Period Ended 31 March 2024

	Note	Un Audited First Quarter Ended 31 March	
		2024	2023
------(Rupees)-----			
Revenue from contracts with customers - net	12	5,614,219,767	4,872,780,842
Cost of sales	13	(2,885,129,229)	(2,660,168,086)
Gross profit		2,729,090,538	2,212,612,756
Distribution, selling and promotional expenses		(1,387,336,236)	(1,127,440,411)
Administrative and general expenses		(226,700,973)	(200,671,810)
Research and development expenses		(5,660,704)	(2,946,252)
Other operating expenses		(137,125,750)	(86,997,750)
Operating profit		972,266,875	794,556,533
Other income		70,463,455	48,391,564
Finance costs		(675,409)	(842,582)
Profit before taxation		1,042,054,921	842,105,515
Taxation		(278,935,029)	(216,597,407)
Profit for the period		763,119,892	625,508,108
			(Restated)
Earnings per share - basic and diluted		14.40	11.81

The annexed notes from 1 to 18 form an integral part of these unconsolidated 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 Period Ended 31 March 2024

	Un Audited First Quarter Ended 31 March	
	2024	2023
	------(Rupees)-----	
Profit for the period	-	625,508,108
Other comprehensive income		
Other comprehensive income not to be reclassified to unconsolidated profit or loss in subsequent periods:		
Revaluation surplus on property, plant and equipment - net of tax	-	(4,886,625)
Remeasurement gain on gratuity - net	-	-
Related deferred tax	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the period	763,119,892	620,621,483

The annexed notes from 1 to 18 form an integral part of these unconsolidated 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 Period Ended 31 March 2024

	First Quarter Ended 31 March	
	2024	2023
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,042,054,921	842,105,515
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of operating fixed assets	46,338,499	44,959,371
Amortization of intangible assets	2,098,011	1,873,262
Provision for Workers' Profit Participation Fund	53,578,411	36,484,297
Provision for defined benefit obligation	10,428,615	8,445,311
Finance costs	675,409	842,582
Provision for Central Research Fund	10,077,071	7,296,858
Exchange loss/(gain) - net	(6,022,011)	32,165,704
Gain on disposal of operating fixed assets	(6,774,562)	(3,671,178)
Un-realized gain on remeasurement of short-term investments	(33,423,722)	(7,846,393)
Return on deposits	(826,063)	(1,316,621)
Dividend Income on short-term investment	(9,040,263)	(29,270,244)
	67,109,395	89,962,949
Profit before working capital changes	1,109,164,316	932,068,464
Working capital changes:		
(Increase) / decrease in current assets:		
(Increase) / Decrease in Inventories	832,383,663	41,644,239
(Increase) / Decrease in Trade debtors	(788,422,181)	(715,790,484)
(Increase) / Decrease in Advances, trade deposits and prepayments	(485,082,114)	(256,524,211)
(Increase) / Decrease in Other receivables	(7,622,304)	982,473
(Decrease) / increase in current liabilities:		
(Decrease) / Increase in Trade and other payables	(475,885,965)	(80,212,474)
(Decrease) / Increase in in Contract liabilities	(10,495,187)	(30,775,222)
	(935,124,088)	(1,040,675,679)
Cash generated from / (utilized in) operations	174,040,228	(108,607,215)
Income tax paid	(398,219,929)	(227,372,498)
Gratuity paid	-	(22,271,344)
Finance cost paid	(675,409)	(842,582)
Net cash inflows / (Outflows) from operating activities	(224,855,110)	(359,093,639)

Condensed Interim Un-Consolidated Statement of Cash Flow (Un Audited) For the Period Ended 31 March 2024

Note	First Quarter Ended 31 March	
	2024	2023
	------(Rupees)-----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(14,418,419)	(175,109,833)
Additions in long-term advances	(9,317,162)	(25,106,299)
Receipt of loan	10,000,000	-
Increase in long-term deposits	1,698,000	(10,509,983)
Decrease / (Increase) in Short-term investment - Net	808,282,833	557,216,790
Return on deposits	826,063	1,316,621
Dividend Income on short-term investment	9,040,263	29,270,244
Proceeds from disposal of operating fixed assets	38,743,346	4,720,900
Net cash flows generated from / (utilized in) investing activities	844,854,924	381,798,440
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities- net	(5,723,650)	-
Repayment of long-term loan	-	(974,074)
Dividend paid	(41,495,831)	(17,870)
Net cash flows genated from / (utilized in) financing activities	(47,219,481)	(991,944)
Net foreign exchange difference	6,022,011	(32,165,704)
Net Increase / (Decrease) In Cash And Cash Equivalents	578,802,344	(10,452,847)
Cash and cash equivalents at the beginning of the year	40,443,641	(177,180,128)
Cash and cash equivalents at the end of the period	11.2 619,245,985	(187,632,975)

The annexed notes from 1 to 18 form an integral part of these unconsolidated 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 Period Ended 31 March 2024

	Share capital	Capital Reserves		Revenue reserves		Total
		Revaluation Surplus on operating fixed asset	General reserve	Accumulated profit	Sub total	
----- Rupees -----						
Balance as at 1st Jan 2023	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 31 March 2023	-	(4,886,625)	-	625,508,108	625,508,108	620,621,483
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(2,432,583)	-	2,432,583	2,432,583	-
Balance as at 31 March 2023	418,840,820	359,394,832	114,000,000	7,173,622,279	7,287,622,279	8,065,857,931
Balance as at 1st Jan 2024	529,833,630	899,359,441	114,000,000	8,053,526,233	8,167,526,233	9,596,699,304
Total comprehensive income for the period ended 31 March 2024	-	-	-	763,119,892	763,119,892	763,119,892
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(10,471,923)	-	10,471,923	10,471,923	-
Balance as at 31 March 2024	529,833,630	888,867,518	114,000,000	8,827,118,048	8,941,118,048	10,359,819,196

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

For the Period Ended 31 March 2024

1. CORPORATE INFORMATION

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.

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, Peshawar Road, Rawalpindi

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

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 Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Act and Islamic Financial Accounting Standard (IFAS) as issued by ICAP; and
- Provision and directives issued under the Act.

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

2.2 Basis of preparation

This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December, 2023. This condensed interim financial information has been prepared under the historical cost convention , except for revaluation of property, plant and equipment and recognition of certain employees retirement benefits at present value. In this condensed interim financial information except for the cash flow statement, all the transactions have been accounted for on accrual basis.

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

For the Period Ended 31 March 2024

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key source of estimation are the same as those applied to the financial statements for the year ended 31 December 2023.

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended 31 December 2023.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pak rupee (Rupee), which is also the functional currency of the Company. Figures have been rounded off to the nearest rupee, unless otherwise stated.

	Un Audited 31 March 2024	Audited 31 December 2023
------(Rupees)-----		
3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
5,905,000 (2023: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (2023: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (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

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

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

Un-Audited 31 March 2024	Audited 31 December 2023	Un-Audited 31 March 2024	Audited 31 December 2023
Number	Number	Rupees	Rupees

Issued, subscribed and paid-up shares of Rs. 10 each as at 01 January 2024	52,983,363	52,983,363	529,833,630	529,833,630
--	------------	------------	-------------	-------------

Issued, subscribed and paid-up shares of Rs. 10 each as at 31 March 2024	52,983,363	52,983,363	529,833,630	529,833,630
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Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For the Period Ended 31 March 2024

	Note	Un Audited 31 March 2024	Audited 31 December 2023
------(Rupees) -----			
4.	LONG-TERM LOAN - SECURED		
	Long-term loan	714,112,381	714,112,381
	Less: Current portion shown under current liabilities	(110,146,297)	(66,396,296)
		603,966,084	647,716,085

4.1 The movement of Long-term loan is as follows;

Opening balance as at 01 January	4.1.1 & 4.1.2	714,112,381	18,008,677
Addition during the year			
Loan obtained during the year		-	700,000,000
Less: deferred grant recognized		-	-
		-	700,000,000
Principal payments made during the year		-	(3,896,296)
		714,112,381	714,112,381
Less: Current portion shown under current liabilities		(110,146,297)	(66,396,296)
Closing balance		603,966,084	647,716,085

4.1.1 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 peri 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 May 2023	5 June 2028
Rs. 200 Million Meezan Bank Limited	16	Quarterly	12,500,000	13 September 2023	13 October 2028

4.1.2 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

Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 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. Other facilities obtained from Meezan Bank Limited comprise of letters of credit (sight/usance) individually amounting to Rs. 500 million (31 December 2023: Rs. 500 million), Trust receipt finance amounting to Rs. 500 million (31 December 2023: Rs. 500 million) and DOC delivered against acceptance amounting to Rs. 500 million (31 December 2023: Rs. 500 million).

Salient features of the facility is as under:

Bank name	Outstanding installments	Repayment	Installment (Rupees)	Disbursement date	Maturity
MCB Bank Limited	22	Quarterly	974,074	10 December 2022	10 June 2029

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees) -----	
5. CURRENT PORTION OF LONG-TERM LIABILITIES		
Lease liabilities	137,231,296	273,543,571
Long-term loan	110,146,297	66,396,296
Deferred grant	2,114,704	2,176,520
	<u>249,492,297</u>	<u>342,116,387</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees) -----	
6.2 Commitments		
The Company has following commitments against;		
Letter of credit	309,126,672	930,532,695
Bank contracts	99,045,144	149,524,444
Ijarah rentals	10,106,555	12,127,859
Capital expenditure	-	35,583,333
	<u>418,278,371</u>	<u>1,127,768,331</u>

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

For the Period Ended 31 March 2024

- 6.3 The Company has given post dated cheques of Rs. 6 million (2023: 6 million) to Total Parco Pakistan Limited and Rs 5.5 million (2023: 5.5 million) as security against fuel cards provided to employees and Rs 1 million (2023: 1 million) to Metro cash & carry for the credit limit for purchasing related to canteen.

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	2,193,119,294	2,229,754,900
Right of use assets	583,162,784	564,445,677
Capital work in progress	676,054,673	722,025,038
	3,452,336,751	3,516,225,615

7.1	Un-audited Quarter Ended 31 March		
	Operating fixed assets	Right of use assets	Capital work in progress
	------(Rupees)-----		
Opening	2,229,754,900	564,445,677	722,025,038
Additions	14,748,784	45,640,000	250,624,833
Transfers/Disposals	(17,780,089)	(14,188,695)	(296,595,198)
Deprciation for the Period	(33,604,301)	(12,734,198)	-
	2,193,119,294	583,162,784	676,054,673

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
8. INVENTORIES		
Raw materials	2,507,529,483	2,935,213,360
Packing material	699,425,640	718,868,006
Stores, spare parts and loose tools	66,962,744	63,451,738
Work in progress	429,791,326	252,216,352
Finished goods	328,538,634	931,608,898
Less: Provision for slow moving and obsolete items	(150,880,045)	(187,606,909)
	3,881,367,782	4,713,751,445

9. TRADE RECEIVABLES		
Export Sales	145,199,814	865,189
Local Sales	2,786,013,967	2,141,926,411
	2,931,213,781	2,142,791,600
Less: allowance for expected credit losses	(22,372,807)	(22,372,807)
	2,908,840,974	2,120,418,793

Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

	Un Audited 31 March 2024	Audited 31 December 2023
Note	------(Rupees)-----	
9.1 Allowance for expected credit losses:		
Opening balance	22,372,807	52,085,768
(Reversal) / charge during the year	-	(29,712,961)
	<u>22,372,807</u>	<u>22,372,807</u>
10. SHORT-TERM INVESTMENT		
Mutual funds - fair value through profit and loss	1,021,824,788	1,699,124,325
Term deposit receipts - at amortization cost	372,110,103	469,669,677
	<u>1,393,934,891</u>	<u>2,168,794,002</u>
10.1 These represents savings accounts which carries average profit at the rate of ranging from 11.29% to 20.10% (2023: 7.51% to 20.51%).		
11. CASH AND BANK BALANCES		
Cash and imprest	2,453,368	4,656,752
Current accounts		
-Local currency	58,791,297	101,099,550
-Foreign currency	20,246,156	68,930,604
Saving accounts	637,633,954	29,650,826
	<u>716,671,407</u>	<u>199,680,980</u>
	<u>719,124,775</u>	<u>204,337,732</u>
11.1 These represents saving accounts which carries profit at the rate of ranging from 7.51% - 15.51% (2023: 4.5% - 14.51%).		
11.2 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 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
Cash and bank balances	719,124,775	204,337,732
Short - term borrowings	(99,878,790)	(163,894,091)
Cash and cash equivalents as per statement of cashflows	<u>619,245,985</u>	<u>40,443,641</u>

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

For the Period Ended 31 March 2024

	Un Audited	
	First Quarter Ended 31 March 2024	2023
	------(Rupees)-----	
12. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET		
Local sales	5,507,058,543	4,853,292,115
Export sales	471,703,636	351,765,191
	5,978,762,179	5,205,057,306
Toll manufacturing	144,856,413	176,592,107
	6,123,618,592	5,381,649,413
Less:		
Sales Return/Discount	(509,398,825)	(508,868,571)
	5,614,219,767	4,872,780,842
13. COST OF SALES		
Opening	1,183,825,250	1,453,009,507
Cost of Goods Manufactured	2,288,311,455	1,925,435,444
	3,472,136,705	3,378,444,951
Purchases	171,322,484	601,907,496
Closing	(758,329,960)	(1,320,184,361)
Cost of Sales Manufactured	2,885,129,229	2,660,168,086

14. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial Risk Factors

There is no change in the company's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2023.

14.1 Fair values of financial assets and liabilities

Fair value of financial assets measured at fair value through unconsolidated statement of profit or loss is derived from quoted market prices in active markets, if available.

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value hierarchy

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

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

Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

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 31 March 2024, the Company held the following financial instruments carried at fair value on the statement of financial position:

Un-Audited 31 March 2024	Level 1	Level 2	Level 3
----- (Rupees) -----			

14.1.2 Financial Assets measured at fair value

Fair Value Through Profit & Loss

Investments in Mutual Funds	1,021,824,788	1,021,824,788
-----------------------------	---------------	---------------

Un-Audited 31 March 2024		
AT FVTPL	Amortized cost	Total
----- (Rupees) -----		

15. FINANCIAL INSTRUMENTS BY CATEGORIES

Assets as per statement of financial position:

Long-term Investment	-	200,000,000	200,000,000
Long-term deposits	-	22,245,429	22,245,429
Loan to employees	-	65,547,229	65,547,229
Advances, trade deposits and prepayments	-	1,060,621,608	1,060,621,608
Trade debts	-	2,908,840,974	2,908,840,974
Other receivables	-	22,765,647	22,765,647
Cash and short-term deposits	-	719,124,775	719,124,775
Short-term Investments	1,021,824,788	372,110,103	1,393,934,891
	1,021,824,788	5,371,255,765	6,393,080,553

Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

Audited 31 December 2023		
AT FVTPL	Amortized cost	Total

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

Assets as per statement of financial position:

Long-term Investment	-	200,000,000	200,000,000
Long-term deposits	-	23,943,429	23,943,429
Loan to employees	-	56,230,067	56,230,067
Advances, trade deposits and prepayments	-	575,539,494	575,539,494
Trade debts	-	2,120,418,793	2,120,418,793
Other receivables	-	15,143,343	15,143,343
Cash and short-term deposits	-	204,337,732	204,337,732
Short-term Investments	1,699,124,325	469,669,677	2,168,794,002
	1,699,124,325	3,665,282,535	5,364,406,860

Un Audited	Audited
31 March	31 December
2024	2023

Financial Liabilities at amortized cost
--

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

Liabilities as per statement of financial position:

Lease liabilities	522,836,715	528,560,365
Long-term Loan	714,112,381	714,112,381
Unclaimed dividend	138,561,386	138,561,386
Unpaid dividend	69,804,017	111,299,848
Short-term borrowings	99,878,790	163,894,091
Trade and other payables	1,643,602,103	2,055,832,586
	3,188,795,392	3,712,260,657

16. TRANSACTIONS WITH RELATED PARTIES

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. Amounts due from and to related parties are shown under respective notes to the of unconsolidated financial statements. Other significant transactions with related parties are as follows:

Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

16.1 Transaction during the year:

			Un Audited	
			First Quarter Ended 31 March 2024	2023
			----- (Rupees) -----	
Name of related party	Relationship	Nature of transaction		
Route 2 health (Pvt) Ltd	Associate (Common directorship)	Purchases	-	194,315,587
		Payments	-	194,469,356
Curexa Health (Pvt) Ltd	Subsidiary (100% owned subsidiary)	Purchases	-	221,668,748
		Payments	-	258,088,109
		Interest income on loan	305,142	451,726
		Debit Note against material	2,575,244	-
		receipt against loan repayment	10,000,000	-
Pharmatec Investments Limited	Associate (Common directorship)	Dividend paid	41,495,831	-
Staff provident fund	Employee benefit fund	Contribution for the period	19,995,507	20,032,564
Employees' Welfare Trust	Employee benefit fund	Contribution for the period	917,589	1,039,788

Selected Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

16.2 Balance outstanding as at reporting date:

			Un Audited	Audited
			31 March 2024	31 December 2023
			------(Rupees) -----	
Name of related party	Relationship	Nature of transaction		
Curexa Health (Private) Limited	Subsidiary	Other receivable	3,929,219	2,575,244
	(100% owned subsidiary)	Accrued interest on loan to subsidiary	754,309	609,720
		Loan to subsidiary	-	10,000,000
Pharmatec Investments Limited	Associate (Common directorship)	Unpaid dividend	69,804,017	111,299,848
Staff provident fund	Employee benefit fund	Trade and other payables	19,995,507	10,923,284

17. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated Interim Condensed financial statements for issuance on 29 April 2024

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However no significant rearrangement / reclassification have been made in these unconsolidated financial statements.



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. The entire image is overlaid with a semi-transparent orange rectangle containing white text.


Condensed Interim Consolidated Financial Statements

Highnoon Laboratories Limited and its subsidiary
Curexa Health (Private) Limited
for the First Quarter ended 31 March 2024


Condensed Interim Consolidated Statement of Financial Position As at 31 March 2024 (Un Audited)

		Un Audited 31 March 2024	Audited 31 December 2023
Note		------(Rupees)-----	
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized share capital			
		100,000,000 (2023: 100,000,000) ordinary shares of Rs.10 each	
	3	1,000,000,000	1,000,000,000
	3	529,833,630	529,833,630
Capital reserve			
		Surplus on revaluation of property, plant and equipment - net of tax	
		1,114,635,149	1,125,838,302
Revenue reserves			
		Accumulated profit	
		9,200,203,983	8,379,976,617
		Total Equity	10,035,648,549
		10,844,672,762	10,035,648,549
LIABILITIES			
Non-current liabilities			
Lease liabilities			
		385,605,419	255,016,794
	4	603,966,084	647,716,085
Long-term loan - secured			
		194,597,132	202,057,707
Deferred tax liabilities - net			
		539,261,302	528,770,871
		Deferred liabilities	1,633,561,457
		1,723,429,937	1,633,561,457
Current liabilities			
Trade and other payables			
		1,944,026,068	2,138,233,859
Contract liabilities			
		72,827,962	83,478,528
Unclaimed dividend			
		138,561,386	138,561,386
Unpaid dividend			
		69,804,017	111,299,848
	5	249,492,297	342,116,387
Current portion of long-term liabilities			
		132,428,301	260,374,319
		Short term borrowings	260,374,319
		2,607,140,031	3,074,064,327
		Total liabilities	4,707,625,784
		4,330,569,968	4,707,625,784
		TOTAL EQUITY AND LIABILITIES	14,743,274,333
		15,175,242,730	14,743,274,333
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haider
Chief Executive Officer


Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Condensed Interim Consolidated Statement of Financial Position As at 31 March 2024 (Un Audited)

		Un Audited 31 March 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	4,008,084,883	4,083,565,054
Intangible assets		30,187,568	32,285,579
Goodwill		834,230	834,230
Long-term deposits		22,445,429	24,143,429
Loan to employees		66,265,617	57,243,399
		4,127,817,727	4,198,071,691
Current assets			
Inventories	8	4,039,654,683	4,945,663,244
Trade receivables	9	3,079,680,529	2,167,183,163
Advances, trade deposits and prepayments		1,097,216,768	595,157,903
Other receivables		18,554,800	12,233,863
Short-term investment	10	1,393,934,891	2,168,794,002
Tax refunds due from the Government		532,232,808	443,617,881
Cash and bank balances	11	886,150,524	212,552,586
		11,047,425,003	10,545,202,642
TOTAL ASSETS		15,175,242,730	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 Profit or Loss (Un Audited) For the Period Ended 31 March 2024

	Note	Un Audited First Quarter Ended 31 March	
		2024	2023
------(Rupees)-----			
Revenue from contracts with customers - net	12	6,141,870,352	4,955,076,196
Cost of sales	13	(3,118,635,482)	(2,726,377,915)
Gross profit		3,023,234,870	2,228,698,281
Distribution, selling and promotional expenses		(1,556,935,464)	(1,127,440,411)
Administrative and general expenses		(265,676,308)	(216,503,410)
Research and development expenses		(5,660,704)	(2,946,252)
Other operating expenses		(145,422,527)	(89,165,629)
Operating profit		1,049,539,867	792,642,579
Other income		71,917,975	48,034,013
Finance costs		(2,012,331)	(2,961,789)
Profit before taxation		1,119,445,511	837,714,803
Taxation		(310,421,298)	(224,054,338)
Profit for the period		809,024,213	613,660,465
			(Restated)
Earnings per share - basic and diluted		15.27	11.58

The annexed notes from 1 to 18 form an integral part of these 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 Period Ended 31 March 2024

	Un Audited First Quarter Ended 31 March	
	2024	2023
	------(Rupees)-----	
Profit for the period	809,024,213	613,660,465
Other comprehensive income		
Other comprehensive income not to be reclassified to consolidated profit or loss in subsequent periods:		
Revaluation surplus on property, plant and equipment - net of tax	-	(4,886,625)
Experience adjustments on defined benefit plan	-	-
Related deferred tax	-	-
	-	-
Total comprehensive income for the period	809,024,213	608,773,840

The annexed notes from 1 to 18 form an integral part of these 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 Period Ended 31 March 2024

	First Quarter Ended 31 March	
	2024	2023
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,119,445,511	837,714,803
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of operating fixed assets	57,929,806	54,170,761
Amortization of intangibles	2,098,011	1,873,262
Provision for workers' profit participation fund	58,887,310	37,866,057
Provision for defined benefit obligation	10,428,615	8,445,311
Provision/(reversal) for slow moving and obsolete stocks	(27,726,864)	65,378,395
Provision for worker's welfare fund	1,950,781	511,622
Finance costs	2,317,473	2,961,789
Provision for central research fund	11,114,168	7,571,355
Allowance for expected credit losses	-	52,085,768
Exchange loss / (gain) - net	(6,022,011)	32,165,704
Gain on disposal of operating fixed assets	(6,774,562)	(3,671,178)
Un-realized gain on remeasurement of short-term investments	(33,423,722)	(7,846,393)
Return on deposits	(826,063)	(1,316,621)
Dividend income on short-term investment	(9,040,263)	(29,270,244)
	60,912,679	220,925,588
Profit before working capital changes	1,180,358,190	1,058,640,391
Working capital changes:		
(Increase) / decrease in current assets:		
(Increase) / decrease in inventories	933,735,425	10,439,331
(Increase) / decrease in trade debtors	(912,497,367)	(783,473,201)
(Increase) / decrease in advances, trade deposits and prepayments	(502,058,864)	(261,020,214)
(Increase) / decrease in other receivables	(7,826,128)	(5,024,511)
(Decrease) / increase in current liabilities:		
(Decrease) / increase in trade and other payables	(261,325,476)	(28,334,163)
(Decrease) / increase in in contract liabilities	(11,779,394)	(30,775,222)
	(760,751,804)	(1,098,187,980)
Cash generated from / (utilized in) operations	419,606,386	(39,547,589)
Income tax paid	(405,235,043)	(241,585,201)
Workers' welfare fund paid	-	(511,622)
Gratuity paid	-	(22,271,344)
Finance cost paid	(6,779,785)	(3,118,380)
Net cash inflows / (outflows) from operating activities	7,591,558	(307,034,136)

Condensed Interim Consolidated Statement of Cash Flow (Un Audited) For the Period Ended 31 March 2024

Note	First Quarter Ended 31 March	
	2024	2023
	------(Rupees)-----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(14,418,419)	(176,121,184)
Additions in long-term advances	(9,022,218)	(24,723,731)
Increase in long-term deposits	1,698,000	(10,509,983)
Decrease / (Increase) in short-term investment - net	808,282,833	557,216,790
Return on deposits	826,063	1,316,621
Dividend Income on short-term investment	9,040,263	29,270,244
Proceeds from disposal of operating fixed assets	38,743,346	4,720,900
Net cash flows generated from / (utilized in) investing activities	835,149,868	381,169,657
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities- net	(5,723,650)	-
Repayment of long-term loan	-	(974,074)
Long-term advances-net	-	5,396,187
Dividend paid	(41,495,831)	(17,870)
Net cash flows genated from / (utilized in) financing activities	(47,219,481)	4,404,243
Net foreign exchange difference	6,022,011	(32,165,704)
Net increase / (decrease) in cash and cash equivalents	801,543,956	46,374,060
Cash and cash equivalents at the beginning of the year	(47,821,733)	(224,399,670)
Cash and cash equivalents at the end of the period	11.2 753,722,223	(178,025,610)

The annexed notes from 1 to 18 form an integral part of these 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 31 March 2024

	Share capital	Capital Reserves		Revenue reserves			Total
		Revaluation Surplus on operating fixed asset	General reserve	Accumulated profit	Sub total		
----- Rupees -----							
Balance as at 1st Jan 2023	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 31 March 2023	-	(4,886,625)	-	608,773,840	608,773,840	603,887,215	
Surplus transferred to accumulated profit							
Incremental depreciation relating to surplus on revaluation - net of tax	-	(2,066,968)	-	2,066,968	2,066,968	-	
Balance as at 31 March 2023	418,840,820	403,191,223	114,000,000	7,322,967,439	7,436,967,439	8,258,999,482	
Balance as at 1st Jan 2024	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 31 March 2024	-	-	-	809,024,213	809,024,213	809,024,213	
Surplus transferred to accumulated profit							
Incremental depreciation relating to surplus on revaluation - net of tax	-	(11,203,153)	-	11,203,153	11,203,153	-	
Balance as at 31 March 2024	529,833,630	1,114,635,149	114,000,000	9,086,203,983	9,200,203,983	10,844,672,762	

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

1. CORPORATE INFORMATION

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

- 1.1 Highnoon Laboratories Limited ("the Holding 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 Group is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of the Group is situated at 17.5 KM, Multan Road, Lahore.

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

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 Registered office/ Manufacturing facility	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, Peshawar Road, Rawalpindi

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These condensed interim consolidated 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 Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Act and Islamic Financial Accounting Standard (IFAS) as issued by ICAP; and
- Provision and directives issued under the Act.

2.2 Basis of preparation

This condensed interim consolidated financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's Group annual financial statements as at 31 December, 2023. This condensed

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

interim financial information has been prepared under the historical cost convention, except for revaluation of property, plant and equipment and recognition of certain employees retirement benefits at present value. In this condensed interim financial information except for the cash flow statement, all the transactions have been accounted for on accrual basis.

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key source of estimation are the same as those applied to the financial statements for the year ended 31 December 2023.

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the annual audited financial statements of the Group for the year ended 31 December 2023.

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
5,905,000 (2023: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (2023: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (2023: 46,983,363) ordinary shares of Rs. 10 each issued as bonus shares	469,833,630	469,833,630
	<u>529,833,630</u>	<u>529,833,630</u>

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

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

	Un-Audited 31 March 2024	Audited 31 December 2023	Un-Audited 31 March 2024	Audited 31 December 2023
	Number	Number	Rupees	Rupees
Issued, subscribed and paid-up shares of Rs. 10 each as at 01 January 2024	52,983,363	52,983,363	529,833,630	529,833,630
Issued, subscribed and paid-up shares of Rs. 10 each as at 31 March 2024	<u>52,983,363</u>	<u>52,983,363</u>	<u>529,833,630</u>	<u>529,833,630</u>

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

	Note	Un Audited 31 March 2024	Audited 31 December 2023
------(Rupees) -----			
4.	LONG-TERM LOAN - SECURED		
	Long-term loan	714,112,381	714,112,381
	Less: Current portion of Long-term loan	(110,146,297)	(66,396,296)
		603,966,084	647,716,085

4.1 The movement of Long-term loan is as follows;

Opening balance as at 01 January	714,112,381	18,008,677
Addition during the year		
Loan obtained	-	700,000,000
Less: deferred grant	-	-
		700,000,000
Payment during the year		(3,896,296)
Closing balance as at 31 March	714,112,381	714,112,381

- 4.1.1 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 peri 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 May 2023	5 June 2028
Rs. 200 Million Meezan Bank Limited	16	Quarterly	12,500,000	13 September 2023	13 October 2028

- 4.1.2 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 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

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

For the Period Ended 31 March 2024

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. Other facilities obtained from Meezan Bank Limited comprise of letters of credit (sight/usance) individually amounting to Rs. 500 million (31 December 2023: Rs. 500 million), Trust receipt finance amounting to Rs. 500 million (31 December 2023: Rs. 500 million) and DOC delivered against acceptance amounting to Rs. 500 million (31 December 2023: Rs. 500 million).

Salient features of the facility is as under:

Bank name	Outstanding installments	Repayment	Installment (Rupees)	Disbursement date	Maturity
MCB Bank Limited	22	Quarterly	974,074	10 December 2022	10 June 2029

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
5. CURRENT PORTION OF LONG-TERM LIABILITIES		
Lease liabilities	137,231,296	273,543,571
Long-term loan	110,146,297	66,396,296
Deferred grant	2,114,704	2,176,520
	<u>249,492,297</u>	<u>342,116,387</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
6.2 Commitments		
The Group has commitments against:		
Letter of credit	309,126,672	939,252,969
Ijarah rentals	99,045,144	12,127,859
Bank contracts	10,106,555	149,524,444
Capital expenditure	-	35,583,333
	<u>418,278,371</u>	<u>1,136,488,605</u>

6.3 The Group has given post dated cheques of Rs. 6 million (2023: 6 million) to Total Parco Pakistan Limited and Rs 5.5 million (2023: 5.5 million) as security against fuel cards provided to employees and Rs 1 million (2023: 1 million) to Metro cash & carry for the credit limit for purchasing related to canteen.

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	2,748,867,426	2,797,094,339
Right of use assets	583,162,784	564,445,677
Capital work in progress	676,054,673	722,025,038
	4,008,084,883	4,083,565,054

7.1	Un-audited Quarter Ended 31 March		
	Operating fixed assets	Right of use assets	Capital work in progress
	------(Rupees)-----		
Opening	2,797,094,339	564,445,677	722,025,038
Additions	14,748,784	45,640,000	250,624,833
Transfers/Disposals	(17,780,089)	(14,188,695)	(296,595,198)
Depreciation for the Period	(45,195,608)	(12,734,198)	-
	2,748,867,426	583,162,784	676,054,673

	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
8. INVENTORIES		
Raw materials	2,554,042,698	3,042,769,682
Packing material	774,408,208	781,045,122
Stores, spare parts and loose tools	80,352,863	75,968,438
Work in progress	443,966,101	278,623,344
Finished goods	352,833,984	960,932,693
Less: provision for slow moving and obsolete items	(165,949,171)	(193,676,035)
	4,039,654,683	4,945,663,244

9. TRADE RECEIVABLES	Un Audited 31 March 2024	Audited 31 December 2023
Export Sales	145,199,814	865,189
Local Sales	2,956,853,522	2,188,690,781
	3,102,053,336	2,189,555,970
Less: allowance for expected credit losses	(22,372,807)	(22,372,807)
	3,079,680,529	2,167,183,163

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

For the Period Ended 31 March 2024

	Un Audited 31 March 2024	Audited 31 December 2023
Note	------(Rupees)-----	
9.1	Allowance for expected credit losses:	
	22,372,807	52,085,768
	-	(29,712,961)
	22,372,807	22,372,807
10.	SHORT-TERM INVESTMENT	
	1,021,824,788	1,699,124,325
	372,110,103	469,669,677
	1,393,934,891	2,168,794,002
10.1	These represents savings accounts which carries average profit at the rate of ranging from 11.29% to 20.10% (2023: 7.51% to 20.51%).	
11.	CASH AND BANK BALANCES	
	2,690,423	4,907,461
	Balance with banks	
	Current accounts	
	69,388,718	101,172,443
	20,246,156	68,930,604
	793,825,227	37,542,078
	883,460,101	207,645,125
	886,150,524	212,552,586
11.1	These represents saving accounts which carries profit at the rate of ranging from 7.51% - 15.51% (2023: 4.5% - 14.51%).	
11.2	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 cash flow at the end of financial period as follows:	
	Un Audited 31 March 2024	Audited 31 December 2023
	------(Rupees)-----	
Cash and bank balances	886,150,524	212,552,586
Short - term borrowings	(132,428,301)	(260,374,319)
Cash and cash equivalents as per statement of cash flow	753,722,223	(47,821,733)

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

	Un Audited	
	First Quarter Ended 31 March 2024	2023
	------(Rupees)-----	
12. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET		
Local sales	6,034,709,128	4,935,587,469
Export sales	471,703,636	351,765,191
	6,506,412,764	5,287,352,660
Toll manufacturing	144,856,413	176,592,107
	6,651,269,177	5,463,944,767
Less:		
Sales Return/Discount	(509,398,825)	(508,868,571)
	6,141,870,352	4,955,076,196
13. COST OF SALES		
Opening	1,220,251,783	1,469,418,162
Cost of goods manufactured	2,516,789,262	2,243,004,583
	3,737,041,045	3,712,422,745
Purchases	171,322,484	382,652,742
Closing	(789,728,047)	(1,368,697,572)
Cost of sales manufactured	3,118,635,482	2,726,377,915

14. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial Risk Factors

There is no change in the company's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2023.

14.1 Fair values of financial assets and liabilities

Fair value of financial assets measured at fair value through consolidated statement of profit or loss is derived from quoted market prices in active markets, if available.

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value hierarchy

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

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

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

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 31 March 2024, the Company held the following financial instruments carried at fair value on the statement of financial position:

Un-Audited 31 March 2024	Level 1	Level 2	Level 3
-----------------------------	---------	---------	---------

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

14.1.1 Financial Assets measured at fair value

Fair Value Through Profit & Loss

Investments in Mutual Funds	1,021,824,788	1,021,824,788	-	-
-----------------------------	---------------	---------------	---	---

Un-Audited 31 March 2024		
AT FVTPL	Amortized cost	Total

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

15. FINANCIAL INSTRUMENTS BY CATEGORIES

Assets as per statement of financial position:

Long-term deposits	-	22,445,429	22,445,429
Loan to employees	-	66,265,617	66,265,617
Advances, trade deposits and prepayments	-	1,097,216,768	1,097,216,768
Trade debts	-	3,079,680,529	3,079,680,529
Other receivables	-	18,554,800	18,554,800
Cash and short-term deposits	-	886,150,524	886,150,524
Short-term Investments	1,021,824,788	372,110,103	1,393,934,891
	1,021,824,788	5,542,423,770	6,564,248,558

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

Audited 31 December 2023		
AT FVTPL	Amortized cost	Total
----- (Rupees) -----		

Assets as per statement of financial position:

Long-term deposits	-	24,143,429	24,143,429
Loan to employees	-	57,243,399	57,243,399
Advances, trade deposits and prepayments	-	595,157,903	595,157,903
Trade debts	-	2,167,183,163	2,167,183,163
Other receivables	-	12,233,863	12,233,863
Cash and short-term deposits	-	212,552,586	212,552,586
Short-term Investments	1,699,124,325	469,669,677	2,168,794,002
	1,699,124,325	3,538,184,020	5,237,308,345

Un Audited	Audited
31 March	31 December
2024	2023

Financial Liabilities at amortized cost
--

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

Liabilities as per statement of financial position:

Lease liabilities	522,836,715	528,560,365
Long-term Loan	714,112,381	714,112,381
Unclaimed dividend	138,561,386	138,561,386
Unpaid dividend	69,804,017	111,299,848
Short-term borrowings	132,428,301	260,374,319
Trade and other payables	1,944,026,068	2,138,233,859
	1,577,742,800	1,752,908,299

16. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprise 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.

Selected Notes to the Condensed Interim Consolidated Financial Statements (Un Audited) For the Period Ended 31 March 2024

			Un Audited First Quarter Ended 31 March	
			2024	2023
			------(Rupees)-----	
16.1	Transaction during the year:			
	Name of related party	Relationship	Nature of transaction	
	Route 2 health (Pvt) Ltd	Associate (Common directorship)	Purchases	- 194,315,587
			Payments	- 194,469,356
	Pharmatec Investments Limited	Associate (Common directorship)	Dividend paid	41,495,831 -
	Staff provident fund	Employee benefit fund	Contribution for the period	21,336,523 20,032,564
	Employees' Welfare Trust	Employee benefit fund	Contribution for the period	917,589 1,039,788
				Un Audited 31 March 2024 Audited 31 December 2023
				------(Rupees)-----
16.2	Balance outstanding as at reporting date:			
	Pharmatec Investments Limited	Associate (Common directorship)	Unpaid dividend	69,804,017 111,299,848
	Staff provident fund	Employee benefit fund	Trade and other payables	21,496,295 11,862,140
17.	DATE OF AUTHORIZATION OF ISSUE			
	The Board of Directors of the Company authorized these Condensed Interim Consolidated financial statements for issuance on 29 April 2024.			

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However no significant rearrangement / reclassification have been made in these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer



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