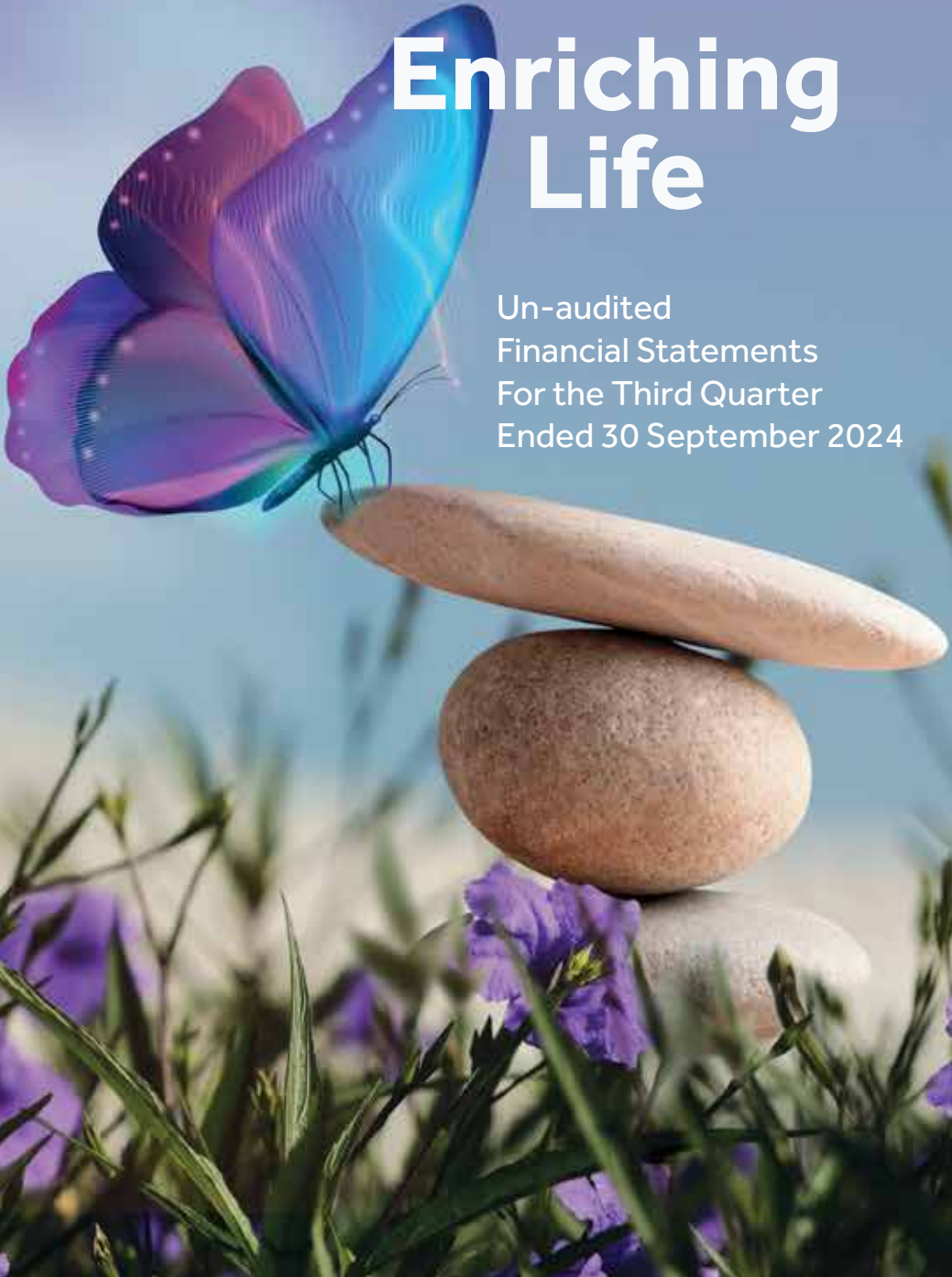




Highnoon

Enriching Life

Un-audited
Financial Statements
For the Third Quarter
Ended 30 September 2024



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COMPANY INFORMATION

Board of Directors

Mr. Tausif Ahmad Khan
Chairman/Director

Dr. Adeel Abbas Haideri
Chief Executive Officer / Director

Mr. Taufiq Ahmed Khan
Director

Mr. Tauqir Ahmad Khan
Director

Mr. Romesh A.I.Elapata
Director

Mrs. Tehmina Saeed Chaudhary
Director

Mr. Tariq Wajid
Director

Chief Financial Officer

Mr. Ashfaq P. Alidina

Company Secretary

Mr. Baqar Hasan

Head Internal Auditor

Mr. Hamza Bilal

Bankers

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

Registered Office and Plant

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

Corporate Office

901-9th floor, Tricon Corporate
Center 73-E, Jail Road, Lahore
UAN : +92 304 111 0465
Ph : +92 42 35158051 - 2

Legal Advisor

Raja Muhammad Akram & Co.

Tax Advisor

Yousuf Islam & Associates

Auditors

BDO Ebrahim and Co.
Chartered Accountants

Shares Registrar

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

Audit Committee

Mr. Tariq Wajid
Chairperson

Mrs. Tehmina Saeed Chaudhary
Member

Mr. Tauqir Ahmad Khan
Member

Human Resource and Remuneration Committee

Mr. Tariq Wajid
Chairperson

Mr. Taufiq Ahmed Khan
Member

Dr. Adeel Abbas Haideri
Member

Executive Committee

Dr. Adeel Abbas Haideri Chairman
Chief Executive Officer

Mr. Ashfaq P. Alidina Member
Chief Financial Officer

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

Dr. Azfar Abbas Haidrie Member
Chief Commercial Officer

Mr. Zulfiqar Zaidi Member
Director HR and Strategic
Planning

Mr. Shah Nawaz Baig Member
Group Director
Commercial Excellence

I.T. Steering Committee

Dr. Adeel Abbas Haideri Chairperson
Chief Executive Officer

Mr. Ashfaq P. Alidina Member
Chief Financial Officer

Mr. Sajjad Hafeez Member
Chief Operating Officer
(Technical)

Dr. Azfar Abbas Haidrie Member
Chief Commercial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

FINANCIAL HIGHLIGHTS

For the nine months ended September 30, 2024, the Company delivered net sales revenue of Rs. 16,956 million, reflecting a strong 13.82% increase compared to Rs. 14,896 million in the same period last year (SPLY). This growth was driven by the continued success of our well-established brands, strategic additions to the Billion League Brands, and the launch of innovative new products that further expanded our market presence.

The Company's gross profit rose to Rs. 8,396 million, compared to Rs. 6,860 million in the SPLY, improving the gross profit margin to 49.51% from 46.05%. This improvement was mainly attributed to an enhanced sales mix, operational efficiencies, and better management of manufacturing costs, leading to stronger overall profitability.

Our net profit after tax increased by 29.64% to Rs. 2,360 million, compared to Rs. 1,820 million in the SPLY. This significant rise in profitability was driven by several factors, including improved working capital management and a focus on operational streamlining, alongside a favorable contribution from investment income.

We are pleased to report an increase in earnings per share (EPS), which grew to Rs. 44.54, up from Rs. 34.36 in the SPLY. This underscores our continued efforts to generate long-term value for our shareholders through strong financial performance and sustainable growth strategies.

On a consolidated basis, the Group achieved a net profit after tax of Rs. 2,396 million, reflecting the overall health of the business and the effectiveness of our corporate strategy.

FUTURE OUTLOOK

The Government of Pakistan has taken the significant step of deregulating the prices of medicines outside the National Essential Medicines List. This move is expected to ensure the availability of quality medicines while fostering healthier competition within the sector, ultimately benefiting patients and industry. Further, stability in the macroeconomic environment along with reduction in the inflationary pressure will provide relief to pharmaceutical sector which has been under considerable pressure during last two years.

However, reliance on imports for key drug ingredients remain challenges. Strengthening local production of active pharmaceutical ingredients (APIs) is essential to reduce dependency on imports and stabilize costs.

To sustain growth, local pharmaceutical companies must invest in R&D, streamline production, and improve regulatory compliance. The industry also needs more transparent and efficient pricing approval processes to ensure better margins and long-term viability.

Your Board remains focused on managing these challenges through operational efficiency, product diversification, and expansion into new markets. We are confident that these strategic efforts will continue driving our growth and enhancing our contribution to the national healthcare sector.

ACKNOWLEDGMENT

We want to acknowledge the considerable efforts and dedication of our employees towards the achievement of the Company's objectives. Further, we also thank our principals, business partners and valued customers for their continuous support and confidence in the Company.

For & On behalf of the Board



Dr. Adeel Abbas Haideri
Chief Executive Officer

Lahore: 28 October 2024



Taufiq Ahmed Khan
Director

اظہار تشکر

ہم کمپنی کے مقاصد کے حصول کے لیے اپنے ملازمین کی کوششوں اور لگن کے معترف ہیں۔ مزید برآں، ہم اپنے پرسنل، کاروباری شراکت داروں اور قابل قدر صارفین کا کمپنی پر مسلسل تعاون اور اعتماد کے لیے شکر یہ ادا کرتے ہیں۔



توفیق احمد خان
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر

لاہور: 28 اکتوبر 2024

ڈائریکٹرز رپورٹ

ڈائریکٹرز ہائون لیبز ریولینڈ ("کمپنی") اور اس کی مکمل ملکیتی ذیلی کمپنی کے 30 ستمبر 2024 کو ختم ہونے والی نو ماہی غیر آڈٹ شدہ مختصر عبوری مالیاتی بیانات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

مالی کارکردگی

اس مدت کے دوران آپ کی کمپنی نے 16,956 ملین روپے کی خالص فروخت حاصل کی جو کہ پچھلے سال کی اس مدت میں 14,896 ملین روپے تھی، ماسٹر ح 13.82 فیصد کی صحت مند نمو حاصل ہوئی جس کی وجہ کلیدی برانڈز کی استحکام کارکردگی، بلین لیگ برانڈز میں اضافے، اور نئی ادویات متعارف کروانا ہے۔

کمپنی کا مجموعی منافع گزشتہ سال اس مدت کے مقابلے میں 6,860 ملین روپے سے بڑھ کر 8,396 ملین روپے ہو گیا۔ مجموعی منافع کا مارجن 46.05 فیصد سے بڑھ کر 49.51 فیصد ہو گیا۔ یہ بہتری بنیادی طور پر بڑھے ہوئے بیلوٹکس، آپریٹیل کارکردگی، اور پیداواری لاگت میں بہتری کی وجہ سے ہے، جس سے مجموعی منافع میں اضافہ ہوتا ہے۔

ہمارا خالص منافع بعد از ٹیکس 29.64 فیصد بڑھ کر پچھلے سال کی اس مدت میں 1,820 ملین روپے کے مقابلے میں 2,360 ملین روپے ہو گیا۔ منافع میں یہ نمایاں اضافہ کئی عوامل کی وجہ سے ہوا، جیسا کہ بہتر رنگ کیمیٹیل مینجمنٹ، سرمایہ کاری سے حاصل ہونے والی آمدنی اور پیداواری مراحل میں لگاتار بہتری کرنے پر توجہ۔

ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری فی ٹھوس آمدنی میں گزشتہ سال کی اس مدت کے 34.36 روپے کے مقابلے میں 44.54 روپے کا نمایاں اضافہ ہوا ہے۔ یہ اضافہ مضبوط مالی کارکردگی اور پائیدار نمو کی حکمت عملیوں کے ذریعے ہمارے شیئرز ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کی ہماری مسلسل کوششوں کی نشاندہی کرتا ہے۔

مجموعی بنیاد پر، گروپ نے 2,396 ملین روپے کا بعد از ٹیکس خالص منافع حاصل کیا، جو کہ کاروبار کی مجموعی صحت اور ہماری موثر کارپوریٹ حکمت عملی کو ظاہر کرتا ہے۔

مستقبل پر ایک نظر

حکومت پاکستان نے قومی ضروری ادویات کی فہرست کے علاوہ ادویات کی قیمتوں کو ڈی ریگولیشن کرنے کا اہم قدم اٹھایا ہے۔ توقع ہے کہ اس اقدام سے معیاری ادویات کی دستیابی کو یقینی بنایا جائے گا جبکہ اس شعبے میں صحت مند مسابقت کو فروغ ملے گا، اور نتیجتاً مریضوں اور دواساز صنعت کو فائدہ پہنچے گا۔ مزید برآں، میکرو اکنامک ماحول میں استحکام کے ساتھ موبائلیٹی کے دباؤ میں کمی سے فارماسیوٹیکل سیکٹر کو ریلیف ملے گا جو پچھلے دو سالوں سے کافی دباؤ کا شکار ہے۔

تاہم، ادویات کے اہم اجزاء کے لیے درآمدات پر انحصار اب بھی ایک بڑا مسئلہ ہے۔ درآمدات پر انحصار کم کرنے اور لاگت کم کرنے کے لیے اہم دواساز اجزاء کی مقامی پیداوار کو مستحکم کرنا ضروری ہے۔

پائیدار نمو کے لئے، ہم مقامی دواساز کمپنیوں کو ریسرچ اور ڈیولپمنٹ میں سرمایہ کاری کرنا، بلا رکاوٹ پیداوار اور قانونی ضوابط کی تعمیل کو بہتر بنانا چاہیے۔ دواساز صنعت کو بہتر مارجن اور طویل مدتی عملداری کو یقینی بنانے کے لیے مزید شفاف اور موثر قیمتوں کی منظوری کے عمل کی بھی ضرورت ہے۔

آپ کا پورڈا آپریٹیل کارکردگی، مصنوعات کی تنوع، اور نئی مصنویوں میں توسیع کے ذریعے ان مسائل سے پنپنے پر مزہ کوڑ ہے۔ ہمیں یقین ہے کہ یہ ایک حکمت عملی کے تحت کی گئی کوششیں ہماری ترقی کو یقینی بناتی رہیں گی اور قومی صحت کی دیکھ بھال کے شعبے میں ہمارے تعاون کو بڑھاتی رہیں گی۔


A close-up photograph of a person's hand with manicured nails using a white calculator on a desk. The hand is holding a pen. In the foreground, there are several coins and a small jar. The background is blurred, showing a desk with papers and a computer monitor. An orange semi-transparent box is overlaid on the top half of the image, containing white text.

Un-consolidated Condensed Interim Financial Statements


Highnoon Laboratories Limited
for Nine Months ended 30 September 2024

Un-Consolidated Condensed Interim Statement of Financial Position as at 30 September 2024 (Un Audited)

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 100,000,000 (December 31, 2023: 100,000,000)			
Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	5	529,833,630	529,833,630
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of tax		867,923,708	899,339,441
Revenue reserves			
Accumulated profit		8,969,491,401	8,167,526,233
Total Equity		10,367,248,739	9,596,699,304
Non-current liabilities			
Lease liabilities		248,544,518	255,016,794
Long-term loan - secured	6	513,543,863	647,716,085
Deferred tax liabilities		206,817,620	122,734,865
Deferred liabilities		517,635,686	528,770,871
		1,486,541,687	1,554,238,615
Current liabilities			
Trade and other payables		3,276,119,991	2,055,832,586
Contract liabilities		374,459,116	63,189,035
Unclaimed dividend		271,933,356	138,561,386
Unpaid dividend		-	111,299,848
Current portion of long-term liabilities		249,244,468	342,116,387
Short term borrowings		-	163,894,091
Provision for taxation - net		21,168,699	-
		4,192,925,630	2,874,893,333
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	7	16,046,716,056	14,025,831,252


Dr. Adeel Abbas Haider
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

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

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,818,520,671	3,516,225,615
Intangible assets		29,211,455	32,285,579
Long-term investment		200,000,000	200,000,000
Long-term deposits		25,981,372	23,943,429
Loan to employees		81,511,173	56,230,067
		4,155,224,671	3,828,684,690
Current assets			
Stock in trade	9	3,959,768,369	4,713,751,445
Trade receivables	10	3,133,742,669	2,120,418,793
Advances, trade deposits and prepayments		1,009,329,565	575,539,494
Other receivables		29,602,280	15,143,343
Loan to subsidiary		-	10,000,000
Short-term investment	11	2,408,965,535	2,168,794,002
Tax refunds due from the Government		173,859,767	389,161,753
Cash and bank balances	12	1,176,223,200	204,337,732
		11,891,491,385	10,197,146,562
TOTAL ASSETS		16,046,716,056	14,025,831,252

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

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

For Nine Months Ended 30 September 2024

Note	Nine Month Period Ended 30 September		Three Months Period Ended 30 September		
	2024	2023	2024	2023	
	------(Rupees) -----		------(Rupees) -----		
Revenue from contracts with customers- net	13	16,956,083,422	14,895,963,046	5,924,398,441	5,080,713,693
Cost of revenue	14	(8,560,013,428)	(8,035,448,790)	(2,908,111,775)	(2,634,010,690)
Gross profit		8,396,069,994	6,860,514,256	3,016,286,666	2,446,703,003
Distribution, selling and promotional expenses		(4,243,778,797)	(3,690,979,329)	(1,571,852,991)	(1,580,336,800)
Administrative and general expenses		(703,372,310)	(607,127,342)	(245,441,147)	(221,057,215)
Research and development expenses		(17,412,721)	(10,302,948)	(5,987,628)	(4,144,486)
Other operating expenses		(306,818,996)	(244,082,387)	(103,897,052)	(81,575,403)
		(5,271,382,824)	(4,552,492,006)	(1,927,178,818)	(1,887,113,904)
Profit from operations		3,124,687,170	2,308,022,250	1,089,107,848	559,589,099
Other income	15	326,802,720	118,854,756	123,586,914	35,499,122
Finance costs		(169,048,482)	(41,825,907)	(56,477,920)	(13,500,192)
Profit before income tax and final tax		3,282,441,408	2,385,051,099	1,156,216,842	581,588,029
Final taxes		(10,178,417)	(19,032,747)	14,000,210	(6,344,249)
Profit before income tax		3,272,262,991	2,366,018,352	1,170,217,052	575,243,780
Taxation		(912,212,663)	(545,620,605)	(311,418,121)	43,528,453
Profit after tax for the period		2,360,050,328	1,820,397,747	858,798,931	618,772,233
Earnings per share - basic and diluted	16	44.54	34.36	16.21	11.68

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

Un-Consolidated Condensed Interim Statement of Comprehensive Income (Un Audited)

For Nine Months Ended 30 September 2024

	Nine Month Period Ended 30 September		Three Months Period Ended 30 September	
	2024	2023	2024	2023
	------(Rupees)-----		------(Rupees)-----	
Profit for the period	2,360,050,328	1,820,397,747	858,798,931	618,772,233
Other comprehensive income				
- Items that will be reclassified to Profit or loss	-	-	-	-
- Items that will not be reclassified to Profit or loss	-	-	-	-
Effect of change in tax rate on:				
Revaluation surplus of operating fixed assets	-	(8,023,749)	-	-
Total comprehensive income for the period	2,360,050,328	1,812,373,998	858,798,931	618,772,233

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

Un-Consolidated Condensed Interim Statement of Cash Flow (Un Audited) For Nine Months Ended 30 September 2024

	Nine Month Period Ended 30 September	
	2024	2023
Note	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,282,441,408	2,385,051,098
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of operating fixed assets	149,794,658	118,985,290
Depreciation of right-of-use asset	69,757,320	17,946,187
Amortization of intangible assets	20,415,884	5,964,285
Gain on disposal of property plant and equipment	(16,168,681)	(10,586,050)
Exchange gain - net	(5,027,675)	-
Un-realized gain on remeasurement of investments	-	(18,643,867)
Revaluation surplus of operating fixed assets	-	(8,023,749)
Dividend Income on short-term investment	(199,239,803)	(50,987,528)
Provision for slow moving and obsolete stocks	(14,059,223)	19,531,622
Provision for defined benefit obligation	45,222,248	24,961,580
Provision for Workers' Profit Participation Fund	140,608,709	149,544,915
Provision for Workers welfare fund	53,431,311	49,872,592
Provision for Central Research Fund	26,445,800	29,075,213
Allowance for expected credit losses	-	4,705,162
Finance costs	169,048,482	41,825,907
	440,229,030	374,171,559
Profit before working capital changes	3,722,670,438	2,759,222,657
Working capital changes:		
(Increase) / decrease in current assets:		
Inventories	768,042,298	(96,636,145)
Trade debts	(1,008,296,202)	(1,079,113,331)
Advances, trade deposits and prepayments	(433,790,071)	(208,936,860)
Other receivables	(14,458,937)	4,629,392
Tax refunds due from the Government	172,861,151	(5,935,848)
Increase / (decrease) in current liabilities:		
Trade and other payables	963,967,708	341,487,749
Contract liabilities	311,270,081	104,463,661
Cash generated from operations	4,482,266,466	1,819,181,276
Income taxes paid	(690,616,035)	(755,474,277)
Gratuity paid	(59,570,044)	(45,113,244)
Finance costs paid	(169,048,482)	(41,825,907)
Central Research Fund paid	(35,833,877)	(40,429,205)
	(955,068,438)	(882,842,633)
Net cash generated from operating activities	A 3,527,198,028	936,338,642

Un-Consolidated Condensed Interim Statement of Cash Flow (Un Audited) For Nine Months Ended 30 September 2024

	Note	Nine Month Period Ended 30 September	
		2024	2023
------(Rupees)-----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(560,942,971)	(1,187,613,781)
Long term advances		(25,281,106)	(35,526,341)
Short term investments - net		(40,931,730)	514,266,969
Acquisition of intangible assets		(17,341,759)	(3,444,980)
Long term deposits - net		(2,037,943)	(10,509,984)
Loan to subsidiary		10,000,000	-
Proceeds from disposal of property plant and equipment		46,062,227	297,201,836
Net cash generated used in investing activities	B	(590,473,282)	(425,626,281)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(199,344,194)	46,122,021
Long term loan (paid) / obtained		(34,172,222)	497,716,568
Long term advances - net		-	9,761,100
Dividend paid		(1,567,428,771)	(750,037,886)
Net cash used in financing activities	C	(1,800,945,187)	(196,438,197)
Net increase in cash and cash equivalents	(A+B+C)	1,135,779,559	314,274,165
Cash and cash equivalents at beginning of the period		40,443,641	(177,180,128)
Cash and cash equivalents at end of the period	12.2	1,176,223,200	137,094,037

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

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

For Nine Months Ended 30 September 2024

	Share capital	Capital Reserves		Revenue reserves		Total
		Revaluation Surplus on operating fixed asset	General reserve	Unappropriated profit	Sub total	
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 September 30, 2023	-	-	-	1,812,373,997	1,812,373,997	1,812,373,997
----- Rupees -----						
Surplus transferred to unappropriated profit	-	(7,302,476)	-	7,302,476	7,302,476	-
On account of incremental depreciation relating to surplus on revaluation of property plant and equipment - net of tax	-	-	-	(41,884,080)	(41,884,080)	-
Transaction with owners of the company, recognized directly in equity - Distributions	-	-	-	(837,681,638)	(837,681,638)	(837,681,638)
Issuance of bonus shares @ 10% for the year ended December 31, 2022	41,884,080	-	-	-	-	-
Final dividend @ Rs. 20 per share for the year ended December 31, 2022	-	-	-	(69,108,730)	(69,108,730)	-
Issuance of interim bonus shares @ 15% for the period ended March 31, 2023	69,108,730	-	-	-	-	-
Balance as at 30 September 2023 - (un-audited)	529,833,630	359,411,564	114,000,000	7,416,683,612	7,530,683,613	8,419,928,807
Balance as at 01 January 2024 (audited)	529,833,630	899,339,441	114,000,000	8,053,526,233	8,167,526,233	9,596,699,304
Total comprehensive income for the period ended September 30, 2024	-	-	-	2,360,050,328	2,360,050,328	2,360,050,328
Surplus transferred to unappropriated profit	-	(31,415,733)	-	31,415,733	31,415,733	-
On account of incremental depreciation relating to surplus on revaluation of property plant and equipment - net of tax	-	-	-	(1,589,500,893)	(1,589,500,893)	(1,589,500,893)
Transaction with owners of the company, recognized directly in equity - Distributions	-	-	-	8,855,491,401	8,855,491,401	8,855,491,401
Final dividend @ Rs. 30 per share for the year ended December 31, 2023	-	-	-	-	-	-
Balance as at 30 September 2024 (un-audited)	529,833,630	867,923,708	114,000,000	8,855,491,401	8,969,491,401	10,367,248,739

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



Dr. Adeel Abbas Halderi
Chief Executive Officer



Tauriq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

1. THE COMPANY AND ITS OPERATIONS

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the Companies Act, 2017 ("the Act") in March 1984 and its shares are quoted on Pakistan Stock Exchange since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of the Company and its manufacturing facility is situated at 17.5 KM, Multan Road, Lahore.

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 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 2023. Comparative unconsolidated condensed interim statement of financial position is stated from annual audited unconsolidated financial statements as of 31 December 2023, whereas comparatives for unconsolidated condensed interim statement of

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

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 nine months period ended 30 September 2023.

- 2.3 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 2023) and certain employees' retirement benefits which are measured at fair value and present value, respectively. These unconsolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.
- 2.4 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 2023.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

Provision for taxation

a) Current

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

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

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

4.1 Changing in accounting standard interpretations and pronouncements

- a) New standards, interpretations, amendments and improvements effective during current period
Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on 01 January 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.
- b) Standards, interpretation and amendments to approved accounting standards that are not yet effective
In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning after reporting date. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated condensed interim financial statements in the period of initial application.

	Un Audited 30 September 2024	Audited 31 December 2023
Note	----- (Rupees) -----	
5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
5,905,000 (31 December 2023: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (31 December 2023: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (31 December 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
6. LONG-TERM LOAN - SECURED		
Long-term loans	679,940,159	714,112,381
Current portion shown under current liabilities	(166,396,296)	(66,396,296)
	6.1 513,543,863	647,716,085

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Note	Un Audited 30 September 2024	Audited 31 December 2023
		------(Rupees) -----	
6.1	Set out below is the movement during the period / year:		
	Opening balance	6.1.1 & 6.1.2 714,112,381	18,008,677
	Addition during the period / year:	-	700,000,000
	Payment during the year	(34,172,222)	(3,896,296)
		679,940,159	714,112,381
	Current portion shown under current liabilities	(166,396,296)	(66,396,296)
	Closing balance	513,543,863	647,716,085

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

6.1.2 This includes loan obtained from MCB Bank Limited under facility for setting up solar based power project under SBP financing scheme for renewable Energy having sanctioned limit of Rs. 50 million (2023: 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2023: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual fund up to Rs. 67 million placed in MCB-Arif Habib Savings and Investment Limited. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3 months KIBOR at respective draw down date. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

7. 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 2023.

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Note	Un Audited 30 September 2024	Audited 31 December 2023
------(Rupees)-----			
7.2	Commitments		
	Letter of credit	872,969,018	930,532,695
	Bank contracts	-	149,524,444
	Capital expenditure	-	35,583,333
	Ijarah rentals	6,029,582	12,127,859
		878,998,600	1,127,768,331
Future payments under Ijarah:			
	Within one year	6,029,582	8,085,216
	After one year but not more than 5 years	-	4,042,643
		6,029,582	12,127,859
8.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets :		
	Owned assets	2,803,973,530	2,229,754,900
	Right of use assets	493,861,304	564,445,677
		3,297,834,834	2,794,200,577
	Capital work-in-progress	520,685,837	722,025,038
		3,818,520,671	3,516,225,615
		Operating owned fixed assets	Right of use assets
8.1	Opening	2,229,754,900	722,025,038
	Additions	741,488,581	57,728,859
	Transfers / Disposals	(17,475,293)	(259,068,060)
	Depreciation for the Period	(149,794,658)	-
		2,803,973,530	520,685,837

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
9. STOCK IN TRADE			
Raw materials:			
In hand		1,970,982,049	2,190,159,412
In transit		332,165,780	611,931,551
With third party		90,358,807	133,122,397
		<u>2,393,506,636</u>	<u>2,935,213,360</u>
Packing material		711,192,509	718,868,006
Stores, spare parts and loose tools		69,567,769	63,451,738
Work in process		518,075,029	252,216,352
Finished goods:			
Trading - in hand		62,116,867	143,427,588
Trading - in transit		-	-
Manufactured		378,857,246	788,181,310
		<u>440,974,113</u>	<u>931,608,898</u>
		4,133,316,056	4,901,358,354
Less: Provision for slow moving and obsolete items		(173,547,686)	(187,606,909)
		<u>3,959,768,369</u>	<u>4,713,751,445</u>
10. TRADE RECEIVABLES			
Foreign		175,488,748	865,189
Local		2,980,626,728	2,141,926,411
		3,156,115,476	2,142,791,600
Less: allowance for expected credit losses	10.1	(22,372,807)	(22,372,807)
		<u>3,133,742,669</u>	<u>2,120,418,793</u>
10.1 Allowance for expected credit losses			
Opening balance		22,372,807	52,085,768
Charged during the period / year	10.1.1	-	(29,712,961)
		<u>22,372,807</u>	<u>22,372,807</u>
10.1.1			
The impact of ECL for the period is insignificant, hence, no allowance is made during the period.			
		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
11. SHORT-TERM INVESTMENT			
Mutual funds - fair value through profit and loss		2,275,315,822	1,699,124,325
Term deposit receipts - at amortization cost	11.1	133,649,713	469,669,677
		<u>2,408,965,535</u>	<u>2,168,794,002</u>

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

- 11.1 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 16.75% - 21.00% (December 31, 2023: 16% - 22%) per annum with maturity up to December 31, 2024.

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
12. CASH AND CASH EQUIVALENTS			
Cash and imprest		2,491,192	4,656,752
Cash as banks:			
Current accounts			
-Local currency		324,453,658	101,099,550
-Foreign currency		28,777,344	68,930,604
		353,231,002	170,030,154
Saving accounts	12.1	820,501,006	29,650,826
		1,176,223,200	204,337,732

- 12.1 These carry average profit at the rate ranging from 9.25% to 20.51% (December 31, 2023: 7.51% to 20.51%). per annum.

12.2 Cash and cash equivalents

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

		Un Audited 30 September 2024	Audited 31 December 2023
		------(Rupees)-----	
Cash and bank balances		1,176,223,200	204,337,732
Short - term borrowings		-	(163,894,091)
Cash and cash equivalents as per statement of cashflows		1,176,223,200	40,443,641

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

13. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET

13.1 Disaggregated revenue information

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

	Un-audited			
	Nine Month Period Ended 30 September		Three Months Period Ended 30 September	
	2024	2023	2024	2023
	----- (Rupees) -----			
Trading and Manufactured products:				
Local	17,702,725,177	14,935,669,518	5,810,839,850	5,015,492,390
Export	1,549,059,092	1,017,965,386	575,058,000	363,336,182
	19,251,784,269	15,953,634,904	6,385,897,850	5,378,828,572
Toll manufacturing	510,533,892	489,574,532	174,735,408	151,957,292
Less:				
Sales tax	(182,566,268)	(141,111,219)	(71,798,160)	(41,097,680)
Trade discount	(2,623,668,471)	(1,406,135,172)	(564,436,657)	(408,974,492)
	16,956,083,422	14,895,963,046	5,924,398,441	5,080,713,693

	Note	Un-audited	
		Nine Month Period Ended 30 September	
		2024	2023
		----- (Rupees) -----	
13.2 Geographical information			
Pakistan		15,407,024,327	13,877,997,660
Afghanistan		1,146,988,341	639,755,974
Cambodia		10,808,449	5,929,508
France		128,716,059	65,821,258
Gambia		2,029,002	-
Iraq		40,880,365	45,082,129
Kenya		55,914,476	59,565,380
Macau		-	2,567,329
Mauritius		1,919,209	3,088,553
Somalia		-	59,427,316
Sri Lanka		34,843,782	60,519,442
Sudan		8,274,295	22,102,401
Tajikistan		3,678,444	-
Tanzania		4,503,993	33,648,268
United Arab Emirates		102,588,943	20,457,828
Zambia		7,913,737	-
		16,956,083,422	14,895,963,046

**Notes to the Un-Consolidated Condensed Interim
Financial Statements (Un Audited)**
For Nine Months Ended 30 September 2024

	Un-audited			
	Nine Month Period Ended		Three Months Period Ended	
	30 September 2024	2023	30 September 2024	2023
	----- (Rupees) -----			
14. COST OF REVENUE				
Opening stock of finished goods	931,608,898	1,453,009,507	294,972,606	794,244,654
Cost of goods manufactured	7,367,794,931	5,828,648,691	2,854,757,268	2,395,325,998
Purchased finish products	701,583,712	1,582,980,766	199,356,014	273,630,212
Available stock for sale	9,000,987,541	8,864,638,964	3,349,085,888	3,463,200,864
Closing stock of finished goods	(440,974,113)	(829,190,174)	(440,974,113)	(829,190,174)
Cost of sales	8,560,013,428	8,035,448,790	2,908,111,775	2,634,010,690

	Un-audited	
	Nine Month Period Ended	
	2024	2023
	----- (Rupees) -----	
15. OTHER INCOME		
Income from financial assets:		
Return on deposits	4,653,230	2,442,197
Profit on Term Deposit Receipts	59,432,166	25,091,714
Dividend Income on short-term investment	199,239,803	50,987,528
Interest on loan to subsidiary	305,142	1,639,962
Exchange gain - net	6,395,407	8,132,343
Realized gain on redemption of short term investment	35,170,175	-
Un-realised gain on short term investment	-	18,643,867
Income from non-financial assets:		
Gain on disposal of operating fixed assets	16,168,681	10,586,051
Scrap sales	5,438,116	1,331,095
	326,802,720	118,854,756

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Un-audited			
	Nine Month Period Ended 30 September 2024		Three Months Period Ended 30 September 2023	
	2024	2023	2024	2023
	----- (Rupees) -----			
16. EARNINGS PER SHARE				
Profit for the period - (Rupees)	2,360,050,328	1,820,397,746	858,798,930	618,772,234
Weighted average number of ordinary shares outstanding during the period - (Numbers)	52,983,363	52,983,363	52,983,363	52,983,363
Basic and diluted - (Rupees)	44.54	34.36	16.21	11.68
17. 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			
	Nine Month Period Ended 30 September 2024		Three Months Period Ended 30 September 2023	
	2024	2023	2024	2023
	----- (Rupees) -----			
17.1 Purchase of goods				
Route 2 health (Pvt) Ltd - Associate	32,567,488	613,551,038	15,518,091	204,214,702
Curexa Health (Pvt) Ltd - Wholly owned subsidiary	65,690,123	594,693,598	27,663,785	139,323,147
17.2 Loan to subsidiary				
Receipts against loan payments	10,000,000	-	-	-
Interest Income on loan	305,142	-	-	-
17.3 Dividend paid				
Route 2 health (Pvt) Ltd - Associate	20,439,870	10,772,000	3,065,981	-
Pharmatec Investments Limited - Associate	221,980,933	-	27,754,230	-
Staff provident fund	6,406,500	3,376,300	-	-
Employees' welfare trust	7,743,690	1,902,360	1,161,554	-

Notes to the Un-Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Un-audited			
	Nine Month Period Ended 30 September		Three Months Period Ended 30 September	
	2024	2023	2024	2023
	----- (Rupees) -----			
17.4 Contribution towards employees' benefit fund:				
Staff provident fund	69,061,424	61,000,327	20,672,352	20,175,926
Employees' welfare trust	2,800,170	3,084,417	936,882	1,003,462
17.5 Remuneration and benefits				
Chief Executive Officer	36,910,237	25,500,374	16,859,988	17,557,643
Executives	692,786,609	543,178,701	235,002,772	380,186,704

17.6 The outstanding balances of such parties are as under:

	Un Audited 30 September 2024	Audited 31 December 2023
	----- (Rupees) -----	
Payable		
Route 2 health (Pvt) Ltd - Associate	8,568,448	-
Staff provident fund	15,854,659	10,923,284
Advances against purchases		
Curexa Health (Pvt) Ltd - Wholly owned subsidiary	12,911,606	2,575,244
Loan		
Curexa Health (Pvt) Ltd - Wholly owned subsidiary	-	10,000,000
Accrued markup receivables		
Curexa Health (Pvt) Ltd - Wholly owned subsidiary	-	609,720
Unpaid dividend		
Pharmatec Investments Limited - Associate	-	111,299,848

18. FINANCIAL RISK MANAGEMENT

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

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

For Nine Months Ended 30 September 2024

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 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 where necessary for the purpose of comparison, however, no significant re-classification or re-arrangements have been made in these unconsolidated condensed interim financial statements except for the following:

			Un-audited	
			Nine Month	Three Months
			Period Ended	Period Ended
			30 September	30 September
			2023	2023
			----- (Rupees) -----	
	Reclassification	Reclassification		
	from	to		
Statement of Profit or loss	Taxation	Final taxes	19,032,747	6,344,249

21. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated condensed interim financial statements for issuance on 28 October 2024.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

A hand with a pen is using a white calculator on a desk. There are several coins scattered around the calculator. The background is blurred, showing a person's arm and a desk with papers.

Consolidated Condensed Interim Financial Statements

Highnoon Laboratories Limited and its subsidiary
Curexa Health (Private) Limited
for Nine Months ended 30 September 2024

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

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid up share capital	5	529,833,630	529,833,630
Capital reserve - revaluation surplus on operating fixed assets		1,080,525,025	1,125,838,302
Revenue reserves		9,231,644,561	8,379,976,617
Total Equity		10,842,003,216	10,035,648,549
LIABILITIES			
Non-current liabilities			
Lease liabilities		248,544,518	255,016,794
Long-term loan - secured	6	513,543,863	647,716,085
Deferred tax liabilities		297,507,529	202,057,707
Deferred liabilities		519,971,205	528,770,871
		1,579,567,115	1,633,561,457
Current liabilities			
Trade and other payables		3,595,613,093	2,138,233,859
Contract liabilities		408,239,881	83,478,528
Unclaimed dividend		271,933,356	138,561,386
Unpaid dividend		-	111,299,848
Current portion of long-term liabilities		249,244,469	342,116,387
Short term borrowings		143,556,271	260,374,319
Provision for taxation - net		21,168,699	-
		4,689,755,769	3,074,064,327
Total liabilities		6,269,322,884	4,707,625,784
TOTAL EQUITY AND LIABILITIES		17,111,326,100	14,743,274,333
CONTINGENCIES AND COMMITMENTS			
	7		



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	8	4,351,050,308	4,083,565,054
Intangible assets		29,211,455	32,285,579
Long term investment		-	-
Goodwill		834,230	834,230
Long-term deposits		26,181,372	24,143,429
Long-term advances		83,950,220	57,243,399
		4,491,227,585	4,198,071,691
Current assets			
Stock in trade	9	4,419,596,402	4,945,663,244
Trade receivables	10	3,277,099,314	2,167,183,163
Advances, trade deposits and prepayments		1,050,448,187	595,157,903
Other receivables		30,350,960	12,233,863
Short-term investment	11	2,408,965,535	2,168,794,002
Tax refunds due from the Government		223,871,843	443,617,881
Cash and bank balances	12	1,209,766,274	212,552,586
		12,620,098,515	10,545,202,642
TOTAL ASSETS		17,111,326,100	14,743,274,333

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



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

For Nine Months Ended 30 September 2024

Note	Nine Month Period Ended 30 September		Three Months Period Ended 30 September		
	2024	2023	2024	2023	
	------(Rupees) -----		------(Rupees) -----		
Revenue from contracts with customers- net	14	18,323,926,014	15,067,265,772	6,285,302,864	5,153,339,790
Cost of revenue	15	(9,141,228,751)	(8,128,049,676)	(3,091,271,001)	(2,693,244,114)
Gross profit		9,182,697,263	6,939,216,095	3,194,031,863	2,460,095,676
Distribution, selling and promotional expenses		(4,802,571,591)	(3,690,979,329)	(1,789,452,975)	(1,580,336,801)
Administrative and general expenses		(817,826,641)	(656,517,463)	(284,677,190)	(239,263,682)
Research and development expenses		(17,412,721)	(10,302,948)	(5,987,628)	(4,144,486)
Other operating expenses		(320,025,511)	(246,641,201)	(99,757,408)	(80,817,851)
		(5,957,836,464)	(4,604,440,942)	(2,179,875,201)	(1,904,562,821)
Operating profit		3,224,860,799	2,334,775,153	1,014,156,662	555,532,855
Other income	16	332,786,272	117,482,331	124,474,964	34,984,461
Finance costs		(177,373,324)	(53,007,418)	(62,360,854)	(19,567,530)
Profit before income tax and final tax		3,380,273,747	2,399,250,067	1,076,270,772	570,949,786
Final taxes		(10,178,417)	(19,032,747)	14,000,210	(6,344,249)
Profit before income tax		3,370,095,330	2,380,217,320	1,090,270,982	564,605,537
Taxation		(974,239,769)	(555,899,104)	(301,041,316)	45,826,834
Profit for the period		2,395,855,561	1,824,318,216	789,229,666	610,432,371
Earnings per share - basic and diluted		45.22	34.43	14.09	11.52


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



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income (Un Audited)

For Nine Months Ended 30 September 2024

	Nine Month Period Ended 30 September		Three Months Period Ended 30 September	
	2024	2023	2024	2023
	------(Rupees)-----		------(Rupees)-----	
Profit for the period	2,395,855,561	1,824,318,216	1,117,054,300	610,432,371
Other comprehensive income				
Items that will be reclassified to profit and loss	-	-	-	-
Items that will not be reclassified to profit and loss	-	-	-	-
Effect of change in tax rate on:				
- Revaluation surplus of operating fixed assets	-	(8,023,749)	-	-
Total comprehensive income for the period	2,395,855,561	1,816,294,467	1,117,054,300	610,432,371

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



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flow (Un Audited) For Nine Months Ended 30 September 2024

	Note	Nine Month Period Ended 30 September	
		2024	2023
------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3,380,273,747	2,399,250,067
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation on owned assets		184,566,462	147,327,788
Depreciation on ROU Assets		69,757,320	17,946,187
Amortization		20,415,884	5,964,285
Gain on disposal of property plant and equipment		(16,280,682)	(10,586,051)
Exchange (gain) / loss - net		(5,027,675)	-
Unrealized gain on short term investments		-	(18,643,867)
Revaluation surplus of operating fixed assets		-	(8,023,749)
Dividend Income on short-term investment		(199,239,803)	(50,987,528)
Provision for slow moving and obsolete stocks		(14,059,223)	13,540,053
Provision for defined benefit obligation		45,222,248	24,961,580
Provision for Workers' Profit Participation Fund		148,691,874	201,050,058
Provision for Central Research Fund		55,121,106	29,398,354
Allowance for expected credit losses		26,445,800	4,437,625
Provision for Workers' Welfare Fund		3,433,555	603,121
Finance costs		177,678,466	54,647,380
		496,725,332	411,635,236
Profit before working capital changes		3,876,999,079	2,810,885,303
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		540,126,065	(167,487,804)
Trade debts		(1,092,526,032)	(1,053,472,128)
Advances trade deposits and short term prepayments		(455,290,284)	(217,388,979)
Other receivables		(14,938,761)	4,629,393
Tax refund due from the Government		172,861,151	(5,935,848)
Increase / (Decrease) in current liabilities:			
Contract liabilities		963,967,708	104,463,661
Trade and other payables		532,460,363	365,047,972
Cash flows from operations		4,523,659,289	1,840,741,570
Income taxes paid		(733,234,750)	(783,310,250)
Gratuity paid		(59,570,043)	(45,113,244)
Finance costs paid		(177,677,501)	(54,965,439)
Central Research Fund paid		(36,451,075)	(41,457,376)
		(1,006,933,369)	(924,846,309)
Net cash flows from operating activities	A	3,516,725,920	915,895,261

Consolidated Condensed Interim Statement of Cash Flow (Un Audited) For Nine Months Ended 30 September 2024

	Note	Nine Month Period Ended 30 September	
		2024	2023
------(Rupees)-----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(560,942,971)	(1,197,219,177)
Long term advances		(26,706,821)	(34,299,637)
Short term investments - net		(40,931,730)	770,352,873
Acquisition of intangible assets		(17,341,759)	(3,444,980)
Long term deposits - net		(2,037,943)	(10,509,983)
Proceeds from disposal of property plant and equipment		46,212,227	297,201,837
Net cash flows used in investing activities	B	(601,748,997)	(177,919,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(199,344,194)	46,122,021
Long term loan (paid) / obtained		(34,172,222)	497,716,568
Long term advances - net		-	9,761,099
Dividend paid		(1,567,428,771)	(750,037,886)
Net cash flows used in financing activities	C	(1,800,945,187)	(196,438,198)
Net decrease in cash and cash equivalents	(A+B+C)	1,114,031,736	541,537,996
Cash and cash equivalents at beginning of the period		(47,821,733)	(79,109,366)
Cash and cash equivalents at end of the period	12.2	1,066,210,003	462,428,630

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



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

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

For Nine Months Ended 30 September 2024

	Share capital	Capital Reserves		Revenue reserves		Total
		Revaluation Surplus on operating fixed asset	General reserve	Unappropriated profit	Sub total	
Balance as at 01 January 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 September 30, 2023	-	-	-	1,816,294,467	1,816,294,467	1,816,294,467
Surplus transferred to unappropriated profit						
On account of incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	(13,177,335)	-	13,177,333	13,177,333	-
Transaction with owners of the company, recognized directly in equity - Distributions						
Issuance of bonus shares @ 10% for the year ended December 31, 2022	41,884,080	-	-	(41,884,080)	(41,884,080)	-
Issuance of interim bonus shares @ 15% for the period ended March 31, 2023	69,108,730	-	-	(69,108,730)	(69,108,730)	-
Final dividend @ Rs. 20 per share for the year ended December 31, 2022	-	-	-	(837,681,637)	(837,681,637)	(837,681,637)
Balance as at 30 September 2023	529,833,630	396,967,483	114,000,000	7,592,923,984	7,706,923,984	8,633,725,097
Balance as at 01 January 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 September 30, 2024	-	-	-	2,395,855,561	2,395,855,561	2,395,855,561
Surplus transferred to unappropriated profit						
On account of incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	(45,313,277)	-	45,313,277	45,313,277	-
Transaction with owners of the company, recognized directly in equity - Distributions						
Final dividend @ Rs. 20 per share for the year ended December 31, 2023	-	-	-	(1,589,500,894)	(1,589,500,894)	(1,589,500,894)
Balance as at 30 September 2022	529,833,630	1,080,525,025	114,000,000	9,117,644,561	9,231,644,561	10,842,003,216

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



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

1. THE COMPANY AND ITS OPERATIONS

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

- 1.1 The Highnoon Group ("the Group") comprises of Highnoon Laboratories Limited ("HNL") ("the Holding Company") and Curexa Health (Private) Limited (formerly Procef Laboratories (Private) Limited ("CHL") ("the Subsidiary Company").
- 1.2 The Subsidiary Company was incorporated with the principle object to carry on business as manufacturer, importer and dealers of all kinds of pharmaceutical.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provision and directives issued under the Act.

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

- 2.2 These consolidated condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with consolidated financial statements of the Group for the year ended 31 December 2023. Comparative consolidated condensed interim statement of financial position is stated from annual audited consolidated financial statements as of 31 December 2023, whereas comparatives for consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are extracted from consolidated condensed interim financial statements of the Group for the nine months period ended 30 September 2023.
- 2.3 The consolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain classes of operating fixed assets (as mentioned

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

in consolidated financial statements of the Group for the year ended 31 December 2023) and certain employees' retirement benefits which are measured at fair value and present value, respectively. These consolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Group. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.

- 2.4 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3. USE OF ESTIMATES AND JUDGEMENTS

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

Provision for taxation

a) Current

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

b) Levy

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

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

4.1 Changings in accounting standard interpretations and pronouncements

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

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

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

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

	Un Audited 30 September 2024	Audited 31 December 2023
Note	------(Rupees) -----	
5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
5,905,000 (31 December 2023: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (31 December 2023: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (31 December 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
6. LONG-TERM LOAN - SECURED		
Long-term loans	679,940,159	714,112,381
Current portion shown under current liabilities	(166,396,296)	(66,396,296)
6.1	513,543,863	647,716,085

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Note	Un Audited 30 September 2024	Audited 31 December 2023
		------(Rupees) -----	
6.1	Set out below is the movement during the period / year:		
	Opening balance	6.1.1 & 6.1.2 714,112,381	18,008,677
	Addition during the period / year:	-	700,000,000
	Payment during the year	(34,172,222)	(3,896,296)
		679,940,159	714,112,381
	Current portion shown under current liabilities	(166,396,296)	(66,396,296)
	Closing balance	513,543,863	647,716,085

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

6.1.2 This includes loan obtained from MCB Bank Limited under facility for setting up solar based power project under SBP financing scheme for renewable Energy having sanctioned limit of Rs. 50 million (2023: 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2023: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual fund up to Rs. 67 million placed in MCB-Arif Habib Savings and Investment Limited. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3 months KIBOR at respective draw down date. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Un Audited 30 September 2024	Audited 31 December 2023	
	------(Rupees)-----		
7.2			
Commitments			
Letter of credit	1,065,649,438	939,252,969	
Bank contracts	-	149,524,444	
Capital expenditure	-	12,127,859	
Ijarah rentals	6,029,582	35,583,333	
	<u>1,071,679,020</u>	<u>1,136,488,605</u>	
Future payments under Ijarah:			
Within one year	6,029,582	8,085,216	
After one year but not more than 5 years	-	4,042,643	
	<u>6,029,582</u>	<u>12,127,859</u>	
8.			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets :			
Owned	3,336,503,167	2,797,094,339	
Right of use assets (RoUA)	493,861,304	564,445,677	
	<u>3,830,364,471</u>	<u>3,361,540,016</u>	
Capital work-in-progress	520,685,837	722,025,038	
	<u>4,351,050,308</u>	<u>4,083,565,054</u>	
	Operating owned fixed assets	Right of use assets	Capital work in progress
8.1			
Opening	2,797,094,339	564,445,677	722,025,038
Additions	741,488,581	11,591,200	57,728,859
Transfers / Disposals	(17,513,292)	(12,418,253)	(259,068,060)
Depreciation for the Period	(184,566,462)	(69,757,320)	-
	<u>3,336,503,166</u>	<u>493,861,304</u>	<u>520,685,837</u>

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Note	Un Audited 30 September 2024	Audited 31 December 2023
		------(Rupees)-----	
9.	STOCK IN TRADE		
	Raw materials:		
	In hand	2,092,521,154	2,253,413,919
	In transit	398,533,514	656,233,366
	With third party	90,358,807	133,122,397
		<u>2,581,413,475</u>	<u>3,042,769,682</u>
	Packing material	825,789,503	781,045,122
	Stores, spare parts and loose tools	86,077,152	75,968,438
	Work in process	584,326,160	278,623,344
	Finished goods		
	Trading -in hand	142,749,678	136,324,851
	Manufactured	378,857,246	824,607,842
		<u>521,606,924</u>	<u>960,932,693</u>
		4,599,213,213	5,139,339,279
	Less: Provision for slow moving and obsolete items	(179,616,812)	(193,676,035)
		<u>4,419,596,401</u>	<u>4,945,663,244</u>
10.	TRADE RECEIVABLES		
	Foreign	175,488,748	865,189
	Local	3,123,983,372	2,188,690,781
		<u>3,299,472,121</u>	<u>2,189,555,970</u>
	Less: allowance for expected credit losses	(22,372,807)	(22,372,807)
		<u>3,277,099,314</u>	<u>2,167,183,163</u>
10.1	Allowance for expected credit losses		
	Opening balance	22,372,807	52,085,768
	Charged during the period / year	-	(29,712,961)
		<u>22,372,807</u>	<u>22,372,807</u>
10.1.1	The impact of ECL for the period is insignificant, hence, no allowance is made during the period.		
		Un Audited 30 September 2024	Audited 31 December 2023
		------(Rupees)-----	
11.	SHORT-TERM INVESTMENT		
	Mutual funds - fair value through profit and loss	2,275,315,822	1,699,124,325
	Term deposit receipts - at amortization cost	133,649,713	469,669,677
		<u>2,408,965,534</u>	<u>2,168,794,002</u>

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

- 11.2 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 16.75% - 21.00% (December 31, 2023: 16% - 22%) with maturity up to December 31, 2024.

		Un Audited 30 September 2024	Audited 31 December 2023
	Note	------(Rupees)-----	
12. CASH AND CASH EQUIVALENTS			
Cash and imprest		2,761,032	4,907,461
Balance with banks			
Current accounts			
-Local currency		342,926,198	101,172,443
-Foreign currency		28,777,344	68,930,604
		371,703,542	170,103,047
Saving accounts	12.1	835,301,700	37,542,078
		<u>1,209,766,274</u>	<u>212,552,586</u>

- 12.1 These carry average profit at the rate ranging from 6.64% to 20.51% (December 31, 2023: 7.51% to 20.51%). per annum.

12.2 Cash and cash equivalents

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

		Un Audited 30 September 2024	Audited 31 December 2023
		------(Rupees)-----	
Cash and bank balances		1,209,766,274	212,552,586
Short - term borrowings		(143,556,271)	(260,374,319)
Cash and cash equivalents as per statement of cashflows		<u>1,066,210,003</u>	<u>(47,821,733)</u>

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

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			
	Nine Month Period Ended 30 September		Three Months Period Ended 30 September	
	2024	2023	2024	2023
	----- (Rupees) -----			
Trading and Manufactured products:				
Local	19,206,688,551	15,114,632,207	6,199,527,500	5,090,284,338
Export	1,551,914,719	1,017,965,386	577,913,627	363,336,182
	<u>20,758,603,270</u>	<u>16,132,597,594</u>	<u>6,777,441,127</u>	<u>5,453,620,520</u>
Toll Manufacturing	510,533,892	489,574,532	174,735,408	151,957,293
Less:				
Sales tax	(197,121,595)	(148,771,182)	(75,910,322)	(43,263,531)
Trade discount	(2,748,089,553)	(1,406,135,172)	(590,963,349)	(408,974,492)
	<u>18,323,926,014</u>	<u>15,067,265,772</u>	<u>6,285,302,864</u>	<u>5,153,339,790</u>

	Un-audited	
	Nine Month Period Ended 30 September	
	2024	2023
	----- (Rupees) -----	
14.2 Geographical information		
Pakistan	16,772,011,293	14,049,300,387
Afghanistan	1,146,988,341	639,755,974
Cambodia	10,808,449	5,929,508
France	128,716,059	65,821,258
Gambia	2,029,002	-
Iraq	40,880,365	45,082,129
Kenya	55,914,476	59,565,379
Macau	-	2,567,329
Mauritius	1,919,209	3,088,553
Somalia	2,855,626	59,427,316
Sri Lanka	34,843,782	60,519,442
Sudan	8,274,295	22,102,401
Tajikistan	3,678,444	-
Tanzania	4,503,993	33,648,268
United Arab Emirates	102,588,943	20,457,828
Zambia	7,913,737	-
	<u>18,323,926,014</u>	<u>15,067,265,772</u>

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

	Un-audited			
	Nine Month Period Ended		Three Months Period Ended	
	30 September		30 September	
	2024	2023	2024	2023
----- (Rupees) -----				
15. COST OF REVENUE				
Opening stock of finished goods	960,932,694	1,462,340,833	327,824,635	779,086,516
Cost of goods manufactured	7,976,488,239	5,895,577,681	3,069,486,888	2,453,376,990
Purchased finish products	725,414,742	1,582,980,766	215,566,402	273,630,212
Available stock for sale	9,662,835,675	8,940,899,280	3,612,877,925	3,506,093,718
Closing stock of finished goods	(521,606,924)	(812,849,603)	(521,606,924)	(812,849,603)
Cost of sales	9,141,228,751	8,128,049,676	3,091,271,001	2,693,244,114

	Un-audited	
	Nine Month Period Ended	
	30 September	
	2024	2023
----- (Rupees) -----		
16. OTHER INCOME		
Income from financial assets:		
Return on deposits	11,088,946	2,442,197
Profit on Term Deposit Receipts	59,432,166	25,091,714
Dividend Income on short-term investment	199,239,803	50,987,528
Exchange gain - net	6,136,384	8,132,343
Realized gain on redemption of short term investment	35,170,175	-
Unrealized gain on re-measurement of short term investment	-	18,643,867
Reversal of provision for expected credit loss	-	267,538
Income from non-financial assets:		
Gain on disposal of operating fixed assets	16,280,682	10,586,050
Scrap sales	5,438,116	1,331,094
	332,786,272	117,482,331

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2024

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:

	Un-audited			
	Nine Month Period Ended 30 September		Three Months Period Ended 30 September	
	2024	2023	2024	2023
	----- (Rupees) -----			
17.1 Purchase of goods				
Route 2 health (Pvt) Ltd -Associate	32,567,488	613,551,038	15,518,091	204,214,702
17.2 Dividend paid to associates				
Route 2 health (Pvt) Ltd - Associate	20,439,870	10,772,000	3,065,981	-
Pharmatec Investments Limited - Associate	221,980,933	-	27,754,230	-
Staff provident fund	6,406,500	3,376,300	-	-
Employees' welfare trust	7,743,690	1,902,360	1,161,554	-
17.3 Contribution towards employees' benefits fund:				
Staff provident fund	73,079,167	64,163,857	23,348,687	21,265,124
Employees' welfare trust	2,800,170	3,084,417	936,882	1,003,462
17.4 Remuneration of chief executive, directors and executive				
Chief Executive Officer	54,188,773	25,500,374	34,138,524	17,557,643
Director	25,303,430	13,734,657	12,552,044	4,037,863
Executives	722,874,517	559,457,260	244,151,498	385,632,546

17.5 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of Balance	Un Audited	Audited
		30 September 2024	31 December 2023
		----- (Rupees) -----	
Route 2 health (Pvt) Ltd -Associate	Advance	8,568,448	-
Pharmatec Investments Limited - Associate	Unpaid dividend	-	111,299,848
Staff provident fund	Payable	16,982,097	11,862,140

Notes to the Consolidated Condensed Interim Financial Statements (Un Audited) For Nine Months Ended 30 September 2023

18. FINANCIAL RISK MANAGEMENT

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

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 where necessary for the purpose of comparison, however, no significant re-classification or re-arrangements have been made in these unconsolidated condensed interim financial statements except for the following:

		Un-audited			
		Nine Month	Three Months		
		Period Ended	Period Ended		
		30 September	30 September		
		2023	2023		
		----- (Rupees) -----			
	Reclassification from	Reclassification to			
Statement of Profit or loss	Taxation	Final taxes	19,032,747	6,344,249	

21. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Group authorized these consolidated condensed interim financial statements for issuance on 28 October 2024.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer



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