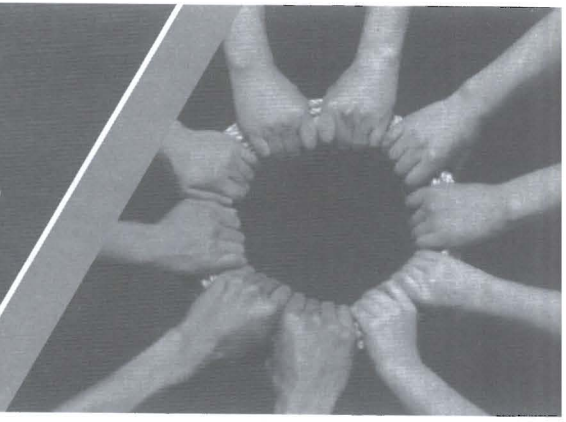
One Team | One Aim | Success For All

Q2 REPORT 2013



HIGHNOON LABORATORIES LIMITED

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Vision

We at Highnoon Laboratories Limited
understand the duties of being responsible
corporate citizen and stand true to our conviction
and promise to work for the betterment
and prosperity of our people.

"Highnoon for a Healthier Nation"

Mission

We strive to maintain excellence in our business
practices with the objective to benefit the medical
community, consumers, stakeholders and employees;
and to improve quality of life by providing
quality products.

Corporate Objectives

Excel in meeting customer needs.
Maintain leadership in national
pharmaceutical industry.
Gain confidence of Doctors,
Pharmacists and Consumers who use our products.
Seek employee involvement, continuous improvement
and enhanced performance goals.
Enhance export business.

Company Information

Board of Directors	Mr. Tausif Ahmad Khan	Chairman
	Mr. Anees Ahmad Khan	Vice Chairman
	Mr. Baqar Hasan	Chief Executive Officer
	Mr. Ghulam Hussain Khan	
	Mr. Taufiq Ahmed Khan	
	Mr. Shazib Masud	
	Mst. Siddiqa Begum	
	Mrs. Zainub Abbas	
	Mr. Javed Hussain (Alternate Director)	
Chief Financial Officer	Mr. Javed Hussain Tel: +92(42)37511953 Email: javed@highnoon.com.pk	
Company Secretary	Mr. Khadim Hussain Mirza Tel: +92(42)37510036 Email: khadim@highnoon.com.pk	
Bankers	Habib Bank Limited United Bank Limited Faysal Bank Limited J.S. Bank Limited Allied Bank Limited Standard Chartered Bank (Pakistan) Limited	
Registered, Head Office & Plant	17.5 Kilometer Multan Road, Lahore - 53700, Pakistan UAN: 111 000 465 Fax: +92 (42) 37510037 Email: info@highnoon.com.pk URL: www.highnoon-labs.com	
Legal Advisors	Raja Muhammad Akram & Company	
Tax Advisors	Yousuf Islam & Associates	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants	
Shares Registrar	Corplink (Pvt) Ltd. Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel: +92 (42) 35916714, 35916719, Fax: +92 (42) 35869637	

CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I am pleased to present the financial statements of t Company for the half year ended 30 June 2013.

The Company has generated net sales revenue of Rs. 1,434 million during the period unc review compared to Rs. 1,226 million in the corresponding half year. The Company h successfully maintained its record of double digit revenue growth and even in the curr challenging economic environment net sales revenue grew by 17% compared corresponding period last year.

Gross profit for the period increased to Rs. 557 million compared to Rs. 492 million corresponding period last year. Cost of sales, as percentage of sales, increased slightly fr 60% to 61% during the period under review as a result of inflationary pressure and rup devaluation. A larger decline in gross profit was averted with better product mix, raw ma price negotiations, efficiencies and stringent cost controls.

Distribution selling and promotional expenses increased by 9% compared to correspondi period last year. The growth in expenses was necessary to invest in promotional and oth marketing activities for existing portfolio as well as for new product launches. Such expens as a percentage of net sales were however restricted to 23% compared with 25% corresponding period. Administrative expenses were largely kept under control, while financ expenses registered a decrease of over 55% due to reduction in discount rate and bet working capital management. Despite increase in cost of sales, profit before taxation show an increase of 76% compared to comparative period last year in line with growth in turnover a effective control of operating and administrative costs.

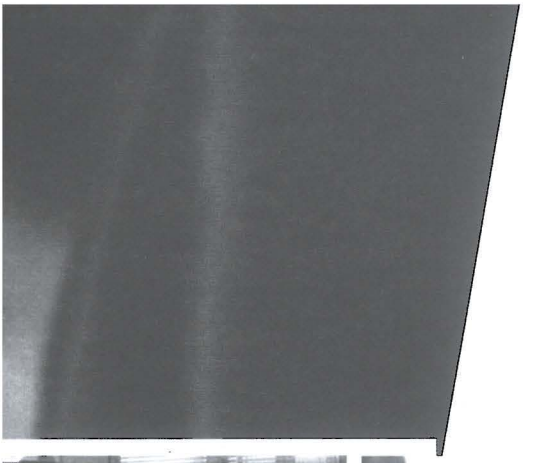
The industry has long been advocating the need for complete review of policies relating to t licensing, registration and pricing by the Government. The Drug Regulatory Authority Pakistan (DRAP) has not resolved issues relating to drug registration and drug pricing as a res numerous cases of new product registration are pending despite deposit of fee on fast tra basis. Similarly, the industry has not been allowed any price increase since 2001, while the c of doing business has increased manifolds. The inaction or the slow pace with which government handles these crucial issues is affecting the performance of entire industry. I also feared that if immediate price increase is not allowed then the country is likely to fac serious shortage of quality drugs besides opening doors to the producers of spurious drugs.

On behalf of the Board, I would like to express my sincere gratitude to the shareholc Doctors , Pharmacist, Consumers, Business partners and the Bankers for the contin patronage and to the employees and management for their continued, dedicated, untir efforts and hard work.

For & On behalf of the Board

Lahore: 19 August 2013

Tausif Ahmad Khan
Chairman







CONDENSED INTERIM FINANCIAL INFORMATION

For the Half Year Ended
30 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Highnoon Laboratories Limited as at 30 June 2013 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of comprehensive income and condensed interim statement of changes in equity and the notes to the accounts, for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 19th August 2013

CONDENSED INTERIM BALANCE SHEET

	Note	Un-Audited 30 June 2013	Audited 31 December 2012 (Restated)
		---------- (Rupees) ----------	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
AUTHORIZED SHARE CAPITAL			
20,000,000 (2012: 20,000,000)			
Ordinary shares of Rs. 10 each		**200,000,000**	200,000,000
Share capital		**181,805,170**	181,805,17(
Reserves		**452,367,106**	439,545,960
		634,172,276	621,351,130
SURPLUS ON REVALUATION OF FIXED ASSETS		**229,497,880**	232,455,404
NON CURRENT LIABILITIES			
Long term loan - secured		**50,000,000**	50,000,000
Liabilities against assets subject to finance lease		**17,160,931**	12,805,239
Long term advances		**9,932,190**	13,597,545
Deferred liabilities		**284,978,987**	295,854,084
		362,072,108	372,256,868
CURRENT LIABILITIES			
Trade and other payables		**198,963,420**	199,348,127
Markup payable on secured loans		**3,081,114**	6,588,896
Short term bank borrowings - secured		**72,113,543**	230,599,758
Current portion of long term liabilities		**23,835,156**	21,577,392
		297,993,233	458,114,173
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL EQUITY AND LIABILITIES		**1,523,735,497**	1,684,177,575

The annexed notes from 1 to 12 form an integral part of this interim financial information.

BAQAR HASAN
CHIEF EXECUTIVE OFFICER

AS AT 30 JUNE 2013

	Note	Un-Audited 30 June 2013	Audited 31 December 2012 (Restated)
		(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	**770,817,032**	778,418,155
Intangible assets		**89,524,822**	98,412,922
Long term deposits		**1,562,054**	1,562,054
		861,903,908	878,393,131
CURRENT ASSETS			
Stores and spares		**1,362,516**	-
Stock in trade	7	**484,243,031**	606,594,516
Trade debts		**55,992,691**	72,531,970
Advances, deposits and prepayments		**41,617,462**	36,963,660
Other receivables		**20,559,210**	21,115,507
Income tax - net		**39,429,088**	62,116,700
Cash and bank balances		**18,627,591**	6,462,091
		661,831,589	805,784,444
TOTAL ASSETS		**1,523,735,497**	1,684,177,575

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
For the Six Months Ended 30 June 2013

	Note	Six Months Ended 30 June		Three Months Ended 30 June	
		2013	2012	2013	2012
		---------- (Rupees) ----------		---------- (Rupees) ----------	
Sales - net	8	1,433,937,724	1,225,673,262	751,979,934	656,185,468
Cost of sales	9	876,600,193	733,425,406	465,697,747	399,224,622
Gross profit		557,337,531	492,247,856	286,282,187	256,960,846
Operating expenses					
Distribution, selling and promotional		331,948,856	303,243,547	171,017,991	155,764,715
Administrative and general		93,201,491	98,483,433	47,812,764	48,405,477
Research and development		3,881,620	3,230,086	1,765,507	2,104,982
Other operating charges		13,681,404	9,866,402	6,952,383	5,892,427
		442,713,371	414,823,468	227,548,645	212,167,601
		114,624,160	77,424,388	58,733,542	44,793,245
Other operating income		11,680,352	13,978,066	11,135,871	1,681,039
Operating profit		126,304,512	91,402,454	69,869,413	46,474,284
Finance cost		11,781,068	26,228,521	2,389,244	13,551,509
Profit before taxation		114,523,444	65,173,933	67,480,169	32,922,775
Taxation		41,028,012	22,303,052	24,198,363	10,752,698
Profit after taxation		73,495,432	42,870,881	43,281,806	22,170,077
Earnings per share-basic and diluted		4.04	2.36	2.38	1.22

The annexed notes from 1 to 12 form an integral part of this interim financial information.

BAQAR HASAN
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the Six Months Ended 30 June 2013

	Six Months Ended 30 June	
	2013	2012 (Restated)
	---------- (Rupees) ----------	
Profit after tax for the period	**73,495,432**	42,870,881
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial losses on defined benefit plans	-	(505,772)
Income tax effect	-	177,020
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	-	(328,752)
Other comprehensive income, net of tax	-	(328,752)
Total comprehensive income for the period, net of tax	**73,495,432**	42,542,129

Surplus arising on 'revaluation of fixed assets' is presented under a separate head below equity as 'surplus on revaluation of assets' in accordance with the requirements specified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O.45(I)/2003 dated 13 January 2003 and section 235 of Companies Ordinance, 1984 respectively.

The annexed notes from 1 to 12 form an integral part of this interim financial information.

BAQAR HASAN
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For the Six Months Ended 30 June 2013

	Six Months Ended 30 June	
	2013	2012
	---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**114,523,444**	65,173,933
Add/(less): Adjustments for non-cash and other items:		
Depreciation	**37,339,522**	31,437,402
Amortization of intangible assets	**9,001,979**	8,837,089
Gain on disposal of property, plant and equipment	**(10,359,066)**	(12,592,661
Exchange loss	**4,404,273**	4,485,160
Provision for defined benefit obligation	**21,323,580**	19,417,192
Finance cost	**11,781,068**	26,228,521
	73,491,356	77,812,703
Profit before working capital changes	**188,014,800**	142,986,636
WORKING CAPITAL CHANGES		
(Increase)/decrease in current assets:		
Stores and spares	**(1,362,516)**	-
Stock in trade	**122,351,485**	(72,211,341
Trade debts	**16,539,279**	7,749,415
Advances, deposits and prepayments	**(4,653,802)**	(3,951,142
Other receivables	**556,297**	(9,960,593
Increase/(decrease) in current liabilities:		
Trade and other payables	**(17,326,911)**	(34,074,541
	116,103,832	(112,448,202
Cash generated from / (used in) operations	**304,118,632**	30,538,434
Add/(less):		
Taxes paid	**(27,954,680)**	(18,631,405
Gratuity paid	**(22,584,397)**	(3,041,212
Finance cost paid	**(13,443,269)**	(23,647,738
Long term advances - net	**(3,041,559)**	-
Net cash generated from / (used in) operating activities	**237,094,727**	(14,781,921
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures incurred	**(21,321,862)**	(19,849,458
Intangible assets acquired	**(113,879)**	(1,992,816
Sale proceeds from disposal of property, plant and equipment	**21,349,529**	5,582,759
Net cash used in investing activities	**(86,212)**	(16,259,515

	Six Months Ended 30 June	
	2013	2012
	---------- (Rupees) ----------	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(15,262,921)	(11,640,205)
Long term loans-repayment	-	(21,143,647)
Short-term bank borrowings-net	(158,486,215)	108,739,530
Dividend paid	(51,093,879)	(48,145,122)
Net cash generated from / (used in) financing activities	(224,843,015)	27,810,556
Net increase/(decrease) in cash and cash equivalents	12,165,500	(3,230,880)
Cash and cash equivalents at beginning of the period	6,462,091	12,596,985
Cash and cash equivalents at end of the period	18,627,591	9,366,105

The annexed notes from 1 to 12 form an integral part of this interim financial information.

BAQAR HASAN
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Six Months Ended 30 June 2013

	Share Capital	Revenue Reserves			Tot
		General Reserves	Unappropriated Profit	Sub Total	
	---------- Rupees ----------				
Balance as at 01 January 2012 as previously reported	181,805,170	114,000,000	284,712,812	398,712,812	580,51
Effect of change in accounting policy	-	-	(12,159,347)	(12,159,347)	(12,15
Balance as at 01 January 2012 - restated	181,805,170	114,000,000	272,553,465	386,553,465	568,35
Final dividend @ Rs. 3 per share for the year ended 31 December 2011	-	-	(54,541,551)	(54,541,551)	(54,54
Incremental depreciation relating to surplus on revaluation of fixed assets	-	-	2,394,994	2,394,994	2,39
Total comprehensive income for the period-restated	-	-	42,542,129	42,542,129	42,54
Balance as at 30 June 2012 - restated	181,805,170	114,000,000	262,949,037	376,949,037	558,75
Balance as at 01 January 2013	181,805,170	114,000,000	325,545,960	439,545,960	621,35
Final dividend @ Rs. 3.5 per share for the year ended 31 December 2012	-	-	(63,631,810)	(63,631,810)	(63,63
Incremental depreciation relating to surplus on revaluation of fixed assets	-	-	2,957,524	2,957,524	2,95
Total comprehensive income for the period	-	-	73,495,432	73,495,432	73,49
Balance as at 30 June 2013	181,805,170	114,000,000	338,367,106	452,367,106	634,17

The annexed notes from 1 to 12 form an integral part of this interim financial information.

BAQAR HASAN
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Six Months Ended 30 June 2013

1. THE COMPANY AND ITS ACTIVITIES

Highnoon Laboratories Limited ('the Company") was incorporated as a private limited company in Pakistan in the year 1984 and converted into an unquoted public limited Company in the year, 1985. Its shares are quoted on all stock exchanges in Pakistan since November 1994. The Company is principally engaged in the manufacture, import and marketing of pharmaceutical and allied consumer products. The Registered office of the Company is situated at 17.5 Km, Multan Road, Lahore.

2. STATEMENT OF COMPLIANCE

2.1 This interim financial information of the Company for the six months period ended 30 June 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - " Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

3.1 This 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 2012.

3.2 The accounting policies adopted for the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 31 December 2012 except for as disclosed in note 3.3 below.

3.3 The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 19 – Employee Benefits –(Revised)

IFRS 7 – Financial Instruments : Disclosures – (Amendment) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above amendments did not have any effect on the financial statements except as disclosed in Note 12.1

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgment estimates and assumptions that affect the application of accounting policies and reporte amount of assets and liabilities, incomes and expenses. Actual results may differ fro these estimates. The significant judgments made by management in applying th Company's accounting policies and the key sources of estimation are the same as thos that applied to the financial statements for the year ended 31 December 2012 except f as disclosed below in note 4.1.

4.1 The Company has changed its estimate regarding useful life of office equipme starting from 2013 based on its historical experience of rapid changes in technolo and physical obsolescence of the assets. The rate of depreciation on offi equipment has been changed from 10% to 25% starting from 01 January 201 This change has been accounted for as a change in accounting estimate wherel current and future periods are corrected. Had there been no change in accountir estimate, the depreciation charge for the period would have been lower Rs. 2,104,848 while carrying value of property, plant and equipment and profit befo tax would have been higher by the same amount. Due to impracticability, the futu impact is not disclosed.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the contingencies since the date of the precedi published annual financial statements.

	Note	Un-Audited 30 June 2013	Audited 31 Decembe 2012
		(Rupees)	
Commitments			
Commitments against irrevocable letters of credit include:			
Raw materials		178,895,000	110,085,000
Packing materials		30,542,000	15,866,000
Furniture		-	6,141,000
		207,437,000	132,092,000

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - (owned)	(6.1)	703,233,377	725,775,250
Operating fixed assets - (leased)	(6.2)	50,262,934	39,409,323
Capital work-in-progress	(6.3)	17,320,721	13,233,582
		770,817,032	778,418,155

	Note	Un-Audited 30 June 2013	Audited 31 December 2012
		(Rupees)	

6.1 Operating fixed assets - tangible

Opening book value		**725,775,250**	642,076,342
Add:			
Revaluation adjustment during the period / year		**-**	75,885,134
Additions during the period / year - cost	(6.1.1)	**17,234,723**	49,715,449
Transferred during the period / year		**3,761,374**	28,519,977
		746,771,347	796,196,902
Less:			
Deletions during the period / year	(6.1.2)	**10,990,463**	15,537,284
Depreciation during the period / year		**32,547,507**	54,884,368
		43,537,970	70,421,652
Book value at the end of the period / year		**703,233,377**	725,775,250

6.1.1 Additions during the period / year - cost

Building on freehold land	**-**	25,124,496
Plant and machinery	**712,800**	14,487,116
Laboratory equipment	**220,000**	2,475,500
Furniture and fixtures	**87,458**	93,000
Electric and gas appliances	**230,504**	914,318
Office equipment	**632,761**	3,092,018
Vehicles	**15,351,200**	3,529,001
	17,234,723	49,715,449

6.1.2 Deletions during the period / year

Electric and gas appliances	**-**	46,454
Office equipment	**-**	1,188,719
Vehicles	**10,990,463**	14,302,111
	10,990,463	15,537,284

6.2 Assets subject to finance lease

Opening book value	**39,409,323**	59,895,164
Add: Additions during the period / year	**19,407,000**	17,655,500
	58,816,323	77,550,664
Less: Transfers during the period / year	**3,761,374**	28,519,977
Depreciation during the period / year	**4,792,015**	9,621,364
	8,553,389	38,141,341
Book value at the end of the period / year	**50,262,934**	39,409,323

	Un-Audited 30 June 2013	Audited 31 December 2012
	(Rupees)	
6.3 Capital work-in-progress		
Civil works	**4,541,874**	-
Plant and machinery - owned	**2,191,968**	-
Furniture	**7,946,879**	7,653,582
Advance to suppliers (for purchase of vehicles)	**2,640,000**	5,580,000
	17,320,721	13,233,582

7. STOCK IN TRADE

Raw materials		
In hand	**271,088,103**	224,554,948
In transit	**8,863,475**	79,320,620
	279,951,578	303,875,568
Packing material		
In hand	**91,444,547**	83,944,556
In transit	**103,745**	3,947,721
	91,548,292	87,892,277
Work in process	**36,175,279**	30,216,205
Finished goods		
In hand	**76,358,080**	184,459,467
With third party	**209,802**	150,999
	76,567,882	184,610,466
	484,243,031	606,594,516

8. SALES - net

	Un-Audited			
	Six Months Ended 30 June		Three Months Ended 30 June	
	2013	2012	2013	2012
	Rupees			
Manufactured products				
Local	1,295,769,682	1,120,849,750	688,103,529	591,681,8
Export	107,910,535	82,540,402	50,073,039	51,987,9
	1,403,680,217	1,203,390,152	738,176,568	643,669,8
Purchased products-Local	22,315,005	21,980,883	9,273,957	12,397,7
Third Party (toll manufacturing)	135,776,390	118,856,906	69,944,816	60,323,3
	1,561,771,612	1,344,227,941	817,395,341	716,390,9
Less: Discount	124,664,550	115,648,036	64,019,633	58,707,0
Sales tax	3,169,338	2,906,643	1,395,774	1,498,4
	127,833,888	118,554,679	65,415,407	60,205,4
	1,433,937,724	1,225,673,262	751,979,934	656,185,4

	Un-Audited			
	Six Months Ended		Three Months Ended	
	30 June		30 June	
	2013	2012	2013	2012
	Rupees			
COST OF SALES				
Opening stock of finished goods (excluding purchased products)	173,386,771	150,723,607	123,054,671	157,722,721
Cost of goods sold - Manufactured (including toll)	756,221,419	750,884,683	405,527,497	415,749,435
	929,608,190	901,608,290	528,582,168	573,472,156
Closing stock of finished goods	(69,482,331)	(181,430,321)	(69,482,331)	(181,430,321)
Cost of sales - Manufactured (including toll)	860,125,859	720,177,969	459,099,837	392,041,835
Cost of sales - Purchased products	16,474,334	13,247,437	6,597,910	7,182,787
	876,600,193	733,425,406	465,697,747	399,224,622

. RELATED PARTY TRANSACTIONS

The related parties comprises associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties are as stated below:

10.1 Sales of goods				
Associated Company	21,895,180	17,145,546	13,139,643	8,324,447
10.2 Contribution towards employees' benefits				
Staff provident fund	7,186,552	7,632,003	3,679,997	3,802,904
Employees' welfare trust	601,452	600,250	298,052	315,250
10.3 Remuneration				
CEO	5,011,513	6,189,484	2,271,098	3,447,297
Directors	11,020,427	13,513,725	5,436,919	6,992,648
Executives	82,638,433	86,678,939	41,458,291	42,504,026

		Un-Audited 30 June 2013	Audited 31 December 2012
		(Rupees)	
10.4 The outstanding balances of related parties are as under:			
Relationship with the Company	**Nature of balance**		
Associated company	Creditors	**491,169**	925,936
Staff provident fund	Contribution payable	**1,869,143**	2,494,430

11. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized the financial statements for issuance 19 August 2013.

12. GENERAL

12.1 Until 31 December, 2012, the Company's policy with regard to actuarial gains/loss was to follow corridor approach under IAS 19 "Employees Benefits" by wh actuarial gains/losses exceeding 10 % of present value of benefit obligation w amortized over a period of five years.

However as referred to in Note 3.3, Company has adopted the amendments in IAS under which the corridor approach has been eliminated and all actuarial gain / loss are to be recognized in other comprehensive income as they incur. Due to the chan in policy the corresponding figures of the interim financial information have be restated accordingly. The effects of the restatement on interim financial informati are summarized below:

Impact on interim condensed balance sheet:

	As at 30 June 2013	As at 31 December 2012
	(Rupees)	
Decrease in unappropriated profit	**12,816,850**	12,816,850
Increase in deferred liabilities	**12,816,850**	12,816,850

Impact on interim statement of comprehensive income

	Six months ended 30 June 2013	Six months ended 30 June 2012
	(Rupees)	
Decrease in other comprehensive income for the six months	-	328,752

12.2 Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fur defined benefit plan and Taxation are estimated and these are subject to fi adjustment in the annual audited financial statements.

12.3 Corresponding figures have been rearranged and / or restated, wherever necessary, t the purpose of comparison. However, no significant reclassification has been ma except as disclosed in note 12.1.

12.4 Figures have been rounded off to the nearest rupee.

BAQAR HASAN
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

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