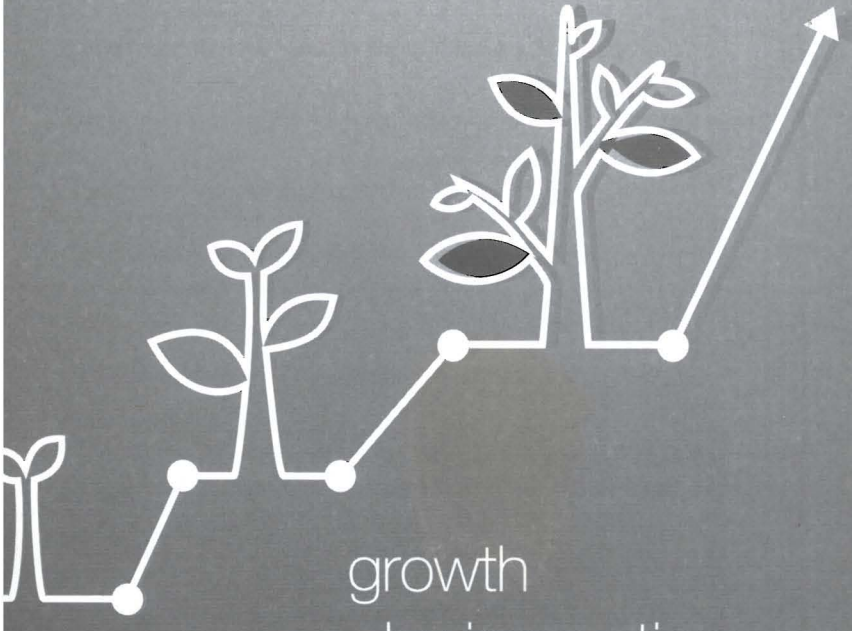
HIGHNOON
LABORATORIES LTD.

Q3 REPORT 2015



growth
by innovation

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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
	Dr. Adeel Abbas	Chief Executive Officer
	Mr. Ghulam Hussain Khan	
	Mr. Taufiq Ahmed Khan	
	Mr. Shazib Masud	
	Mrs. Zainub Abbas	
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

It is my pleasure to present the financial information of the Company as well as of the Group for the nine months ended 30 September 2015.

The Company generated net sales revenue of Rs.3,208 million during the period under review compared to Rs.2,737 million in the same period last year registering a growth of 17 percent. Gross margin increased by 4% for the period reflecting the benefit of strong sales growth as well as continued focus on supply chain initiatives and productivity improvements. Distribution and sales promotion expenses increased by 23 percent over last year primarily due to increase in the size of sales team, increased promotional focus on our core brands and new product launches. Administrative and general expenses were contained and remained within limits. After providing for all expenses and charges profit after taxation stood at Rs. 299 million against profit after tax of Rs.190 million during the same period last year as a result EPS increased from Rs.9.33 to Rs.14.67.

We continue to work on productivity and yield improvement in our manufacturing operations. Modernization and expansion of the production facilities and compliance with CGMP remain under focus. Currently upgradation of solid manufacturing area is under way and new machines are being added in the Granulation, Compression, Coating and Blistering areas to support growth and fortify the position of the Company as a leader in pharmaceutical manufacturing.

The Company acquired controlling shares in Biocef (Private) Limited subsequent to the approval in Shareholders' meeting, the consolidated results include the financial results of the Subsidiary.

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

For & On behalf of the Board

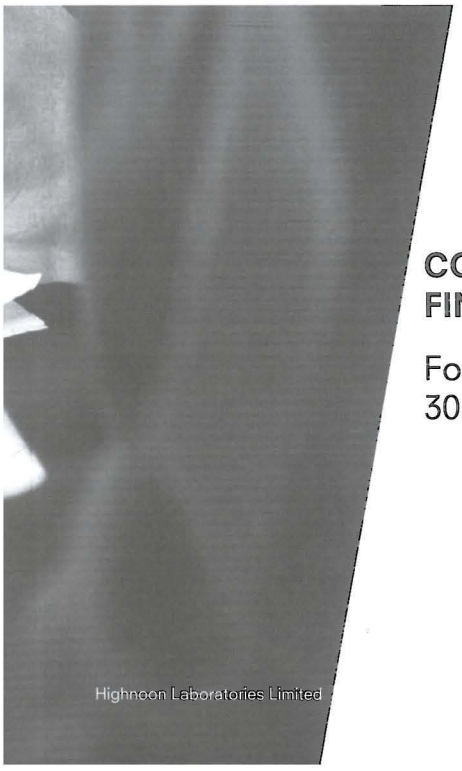
Lahore: 28 October 2015

Tausif Ahmad Khan
Chairman









CONDENSED INTERIM FINANCIAL INFORMATION

For the Nine Months Ended
30 September 2015

CONDENSED INTERIM BALANCE SHEET

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		--------- (Rupees) ---------	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Share Capital			
25,000,000 (31 December 2014: 20,000,000)			
Ordinary shares of Rs. 10 each		250,000,000	200,000,000
Share capital		203,621,790	181,805,170
Reserves		896,835,313	731,355,424
		1,100,457,103	913,160,594
Surplus on revaluation of fixed assets		214,434,889	221,160,158
Non Current Liabilities			
Liabilities against assets subject to finance lease		46,899,458	30,273,913
Long term advances		22,823,973	13,056,828
Deferred liabilities		273,530,057	269,169,709
		343,253,488	312,500,450
Current Liabilities			
Trade and other payables		419,935,130	409,027,390
Income Tax - Net		100,723,915	55,637,689
Markup payable on secured loans		5,333	224,687
Current portion of long term liabilities		38,219,495	33,282,639
		558,883,873	498,172,405
TOTAL EQUITY AND LIABILITIES		2,217,029,353	1,944,993,607
CONTINGENCIES AND COMMITMENTS	5		

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

AS AT 30 SEPTEMBER 2015

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		---------- (Rupees) ----------	
ASSETS			
Non Current Assets			
Property, plant and equipment	6	827,117,434	759,544,053
Intangible assets		50,693,533	63,510,996
Long term Investment	7	47,300,800	-
Long term deposits		1,562,054	1,562,054
		926,673,821	824,617,103
Current Assets			
Stock in trade	8	721,504,938	634,792,103
Trade debts		77,721,197	75,535,273
Advances		66,729,540	43,258,150
Trade deposits and short term prepayments		24,168,856	17,637,699
Profit accrued		-	359,589
Other receivables		2,243,712	1,485,660
Balance with statutory authorities		8,272,679	11,983,557
Cash and bank balances		389,714,610	335,324,473
		1,290,355,532	1,120,376,504
TOTAL ASSETS		2,217,029,353	1,944,993,607

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN AUDITED)
For the Nine Month Ended 30 September 2015

	Note	Nine Month Ended 30 September		Three Month Ended 30 September	
		2015	2014	2015	2014
		---------- (Rupees) ----------		---------- (Rupees) ----------	
Sales - net	9	3,208,090,279	2,737,057,705	1,041,626,196	894,993,631
Cost of sales	10	(1,686,600,963)	(1,565,509,376)	(537,122,739)	(494,211,223)
Gross profit		1,521,489,316	1,171,548,329	504,503,457	400,782,408
Operating expenses					
Distribution, selling and promotional		(845,645,573)	(686,027,127)	(276,232,266)	(232,878,043)
Administrative and general		(186,541,154)	(155,457,718)	(61,357,525)	(51,824,233)
Research and development		(2,349,576)	(2,183,928)	(784,307)	(874,367)
Other operating charges		(42,606,393)	(32,188,048)	(11,416,210)	(11,771,278)
		(1,077,142,696)	(875,856,821)	(349,790,308)	(297,347,921)
		444,346,620	295,691,508	154,713,149	103,434,487
Other income		25,279,621	7,586,008	2,005,253	733,545
Operating profit		469,626,241	303,277,516	156,718,402	104,168,032
Finance cost		(8,103,864)	(14,142,739)	(2,661,976)	(5,299,271)
Profit before taxation		461,522,377	289,134,777	154,056,426	98,868,761
Taxation		(162,777,776)	(99,063,000)	(51,221,466)	(38,500,000)
Profit after taxation		298,744,601	190,071,777	102,834,960	60,368,761
			Restated		Restated
Earnings per share-basic and diluted		14.67	9.33	5.05	2.96

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)
For the Nine Month Ended 30 September 2015

	Nine Month Ended 30 September	
	2015	2014
	---------- (Rupees) ----------	
Profit after tax for the period	298,744,601	190,071,777
Other comprehensive income	-	-
Total comprehensive income for the period	298,744,601	190,071,777

Surplus arising on 'revaluation of fixed assets' is presented under a separate head below equity as 'surplus on revaluation of fixed 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 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM
CASH FLOW STATEMENT (UN AUDITED)
For the Nine Month Ended 30 September 2015

	Nine Month Ended 30 September	
	2015	2014
	---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	461,522,377	289,134,777
Adjustments for non-cash and other items:		
Depreciation	60,605,902	57,695,434
Amortization of intangible assets	13,662,819	13,549,635
Gain on disposal of property, plant and equipment	(4,982,882)	(4,406,589)
Exchange loss	3,503,136	6,071,356
Provision for defined benefit obligation	20,409,492	31,505,832
Finance cost	8,103,864	14,142,739
	101,302,331	118,558,407
Profit before working capital changes	562,824,708	407,693,184
Working Capital Changes		
(Increase)/decrease in current assets:		
Stock in trade	(86,712,835)	(34,751,280)
Trade debts	(2,185,924)	(17,318,923)
Advances	(23,471,390)	1,971,379
Trade deposits and prepayments	(6,531,157)	-
Balances with statutory authorities	3,710,878	5,964,375
Profit accrued	359,589	-
Other receivables	(758,052)	(116,698)
Increase/(decrease) in current liabilities:		
Trade and other payables	4,906,588	46,627,094
	(110,682,303)	2,375,947
Cash generated from operations	452,142,405	410,069,131
Taxes paid	(114,890,057)	(49,404,907)
Gratuity paid	(18,850,637)	(13,278,869)
Finance cost paid	(2,532,159)	(10,169,946)
Long term advances-net	6,982,922	3,562,162
Net cash generated from operating activities	322,852,474	340,777,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(79,086,155)	(32,657,240)
Long term investment	(47,300,800)	-
Intangible assets acquired	(845,356)	(942,884)
Proceeds from disposal of property, plant and equipment	17,252,754	8,152,596
Net cash flow used in investing activities	(109,979,557)	(25,447,528)

	Nine Month Ended 30 September	
	2015	2014
	---------- (Rupees) ----------	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(42,807,435)	(20,139,425)
Long term financing repayment	-	(50,000,000)
Short term borrowings- net	-	(73,203)
Dividend paid	(115,675,345)	(79,418,027)
Net cash flow used in financing activities	(158,482,780)	(149,630,655)
Net increase in cash and cash equivalents	54,390,137	165,699,388
Cash and cash equivalents at beginning of the period	335,324,473	49,533,292
Cash and cash equivalents at end of the period	389,714,610	215,232,680

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)
For the Nine Month Ended 30 September 2015

	Share Capital	Revenue Reserves			Total
		General Reserves	Unappropriated Profit	Sub Total	
	---------- Rupees ----------				
Balance as at 01 January 2014	181,805,170	114,000,000	419,568,145	533,568,145	715,373,315
Profit for the period ended 30 September 2014	-	-	190,071,777	190,071,777	190,071,777
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	190,071,777	190,071,777	190,071,777
Final dividend @ Rs. 4.50 per share for the year ended 31 December 2013	-	-	(81,812,327)	(81,812,327)	(81,812,327)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	6,246,151	6,246,151	6,246,151
Balance as at 30 September 2014	181,805,170	114,000,000	534,073,746	648,073,746	829,878,916
Balance as at 01 January 2015	**181,805,170**	**114,000,000**	**617,355,424**	**731,355,424**	**913,160,594**
Profit for the period ended 30 September 2015	-	-	298,744,601	298,744,601	298,744,601
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	298,744,601	298,744,601	298,744,601
Issuance of bonus shares @ 12%	21,816,620	-	(21,816,620)	(21,816,620)	-
Final dividend @ Rs. 6.50 per share for the year ended 31 December 2014	-	-	(118,173,361)	(118,173,361)	(118,173,361)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	6,725,269	6,725,269	6,725,269
Balance as at 30 September 2015	**203,621,790**	**114,000,000**	**782,835,313**	**896,835,313**	**1,100,457,103**

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

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

For the Nine Month Ended 30 September 2015

1. THE COMPANY AND ITS OPERATIONS

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

2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the Nine months ended 30 September 2015 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 condensed 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 condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2014.

3.2 The accounting policies adopted for the preparation of this condensed 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 2014 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:

IFRS 10 – Consolidated Financial Statements

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

IFRS 19 – Employee Benefits - (Amendments)- Defined Benefit Plans: Employee Contribution

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2014.

5. CONTINGENCIES AND COMMITMENTS

Contingencies:

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

Commitments:

Commitments against irrevocable letters of credit include:

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		(Rupees)	
Raw materials		228,096,187	165,343,886
Packing materials		48,753,958	34,306,061
Finished goods		20,319,000	8,295,000
Plant and machinery		12,644,328	-
		309,813,473	207,944,947

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - (owned)	(6.1)	699,054,689	669,818,556
Operating fixed assets - (leased)	(6.2)	123,509,255	81,423,968
Capital work-in-progress	(6.3)	4,553,490	8,301,529
		827,117,434	759,544,053

6.1 Operating fixed assets (owned)

	Opening book value	669,818,556	694,898,950
Add:	Additions during the period / year - cost (6.1.1)	82,834,194	39,442,119
	Transferred during the period / year -vehicles	5,184,768	7,625,855
		88,018,962	47,067,974
Less:	Deletions during the period / year (6.1.2)	12,269,872	7,932,174
	Depreciation during the period / year	46,512,957	64,216,194
		58,782,829	72,148,368
	Book value at the end of the period / year	699,054,689	669,818,556

6.1.1 Additions during the period / year - cost

Building on freehold land	2,282,599	-
Plant and machinery	39,396,628	2,975,340
Laboratory equipment	1,357,400	8,814,112
Furniture and fixtures	720,371	155,928
Electric and gas appliances	2,846,248	1,162,400
Office equipment	2,223,331	1,971,739
Vehicles	34,007,617	24,362,600
	82,834,194	39,442,119

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		(Rupees)	
6.1.2 Deletions during the period / year - WDV			
Plant and machinery		2,172,389	-
Office equipment		222,056	367,501
Vehicles		9,875,427	7,564,673
		12,269,872	7,932,174
6.2 Operating fixed assets (leased)			
Opening book value		81,423,968	52,614,628
Add: Additions during the period / year	(6.2.1)	61,363,000	50,944,000
		142,786,968	103,558,628
Less: Transfers during the period / year - vehicles		(5,184,768)	7,625,855
Depreciation during the period / year		(14,092,945)	14,508,805
		(19,277,713)	22,134,660
Book value at the end of the period / year		123,509,255	81,423,968
6.2.1 Additions during the period / year - cost			
Plant and machinery		15,694,000	-
Vehicles		45,669,000	50,944,000
		61,363,000	50,944,000
6.3 Capital work in progress			
Civil works		387,520	1,763,058
Plant and machinery - owned		3,475,570	2,967,471
Advance to suppliers (for purchase of vehicles)		690,400	3,571,000
		4,553,490	8,301,529

7. LONG TERM INVESTMENT

Subsidiary Company -Unlisted		
Biocef (Private) Limited		
4,430,080 (2014: Nil) ordinary shares of Rs.10 each	44,300,800	-
Equity held: 80% (2014: Nil)		
Share deposit money	3,000,000	-
	47,300,800	-

During the year the shareholders of the Company approved in an extra ordinary general meeting to make long term equity investment of up to Rs.156.50 million by acquisition of shares of Biocef (Private) Limited, an associated company. The Company has initially made an equity investment of Rs. 44.30 million by acquiring 4.43 million shares (80% of total existing shareholdings) at face value of Rs.10 from existing shareholders. The Company subsequent to initial acquisition injected Rs.3 million in Subsidiary Company as share deposit money.

Biocef (Private) Limited was incorporated on 10 June 2015 as a private limited company with an authorized share capital of Rs.100 million. It is set up with principle object to carry on business as manufacturers, importers, exporters, producers, preparers, refiners, buyers, seller and dealers of all kinds of pharmaceutical, drugs, medicines medicaments, basic raw material, herbs salts, acids, alkalis, chemical & surgical material, instruments and appliances patent and proprietary articles. It owns Greenfield pharmaceuticals project that envisages production of cephalosporin drugs.

Investment into Subsidiary Company will provide the Company with an access to a dedicated Cephalosporin manufacturing facility and a quick entry into the Cephalosporin market.

8. STOCK IN TRADE

	Un Audited 30 September 2015	Audited 31 December 2014
	(Rupees)	
Raw materials		
In hand	364,285,004	298,815,977
In transit		10,094,743
	364,285,004	308,910,720
Packing materials		
In hand	129,560,929	120,532,834
Work in process	71,660,226	55,356,113
Finished goods		
In hand	150,909,639	149,221,552
With third party	5,089,140	770,884
	155,998,779	149,992,436
	721,504,938	634,792,103

9. SALES - net

	Un-Audited			
	Nine Months Ended 30 September		Three Month Ended 30 September	
	2015	2014	2015	2014
	Rupees			
Manufactured products				
Local	2,900,140,476	2,504,457,988	976,395,010	812,440,342
Export	194,471,369	179,008,893	45,348,172	54,121,520
	3,094,611,845	2,683,466,881	1,021,743,182	866,561,862
Purchased products-Local	53,810,052	25,934,674	17,728,746	8,875,543
Third Party	300,951,045	252,835,874	79,603,782	87,967,591
	3,449,372,942	2,962,237,429	1,119,075,710	963,404,996
Less: Discount	232,085,205	218,132,209	75,283,276	67,092,585
Sales tax	9,197,458	7,047,515	2,166,238	1,318,780
	241,282,663	225,179,724	77,449,514	68,411,365
	3,208,090,279	2,737,057,705	1,041,626,196	894,993,631

10. COST OF SALES

Opening stock of finished goods (excluding purchased products)	140,089,826	102,090,848	109,880,781	79,047,644
Cost of goods manufactured	1,639,770,316	1,545,245,956	539,949,461	508,406,391
	1,779,860,142	1,647,336,804	649,830,242	587,454,035
Closing stock of finished goods	(125,689,491)	(99,314,973)	(125,689,491)	(99,314,973)
Cost of sales - Manufactured	1,654,170,651	1,548,021,831	524,140,751	488,139,062
Cost of sales - Purchased products	32,430,312	17,487,545	12,981,988	6,072,161
	1,686,600,963	1,565,509,376	537,122,739	494,211,223

11. RELATED PARTY TRANSACTIONS

The related parties comprises subsidiary & associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties other than equity investment in an associated company as disclosed in note 7 are stated as below:

	Un-Audited			
	Nine Months Ended 30 September		Three Month Ended 30 September	
	2015	2014	2015	2014
	---------- Rupees ----------			
11.1 Sales of goods				
Associated Company	19,784,736	60,866,229	2,908,007	17,234,664
11.2 Contribution towards employees' benefits				
Staff provident fund	13,765,260	11,335,236	4,647,791	3,736,555
Employees' welfare trust	1,196,000	965,945	421,250	333,750
11.3 Remuneration				
CEO	7,430,381	9,558,167	2,914,599	3,227,450
Directors	18,942,776	22,400,007	6,068,431	8,595,598
Executives	154,105,781	139,678,632	64,984,441	44,060,026

		Un Audited 30 September 2015	Audited 31 December 2014
		---------- (Rupees) ----------	
11.4 The outstanding balances of such parties are as under:			
Relationship with the Company	Nature of balance		
Associated company	Creditors	402,527	462,917
Staff provident fund	Contribution payable	3,098,064	2,530,613

12. DATE OF AUTHORIZATION FOR ISSUANCE

The Board of Directors of the Company authorized the financial information for issuance on 28 October 2015.

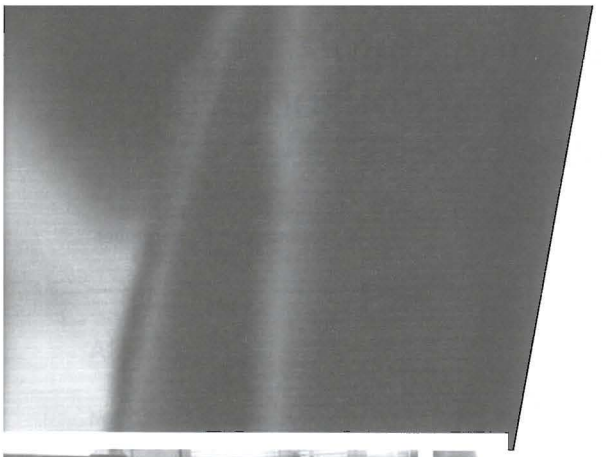
13. GENERAL

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

13.2 Figures have been rounded off to the nearest rupee.

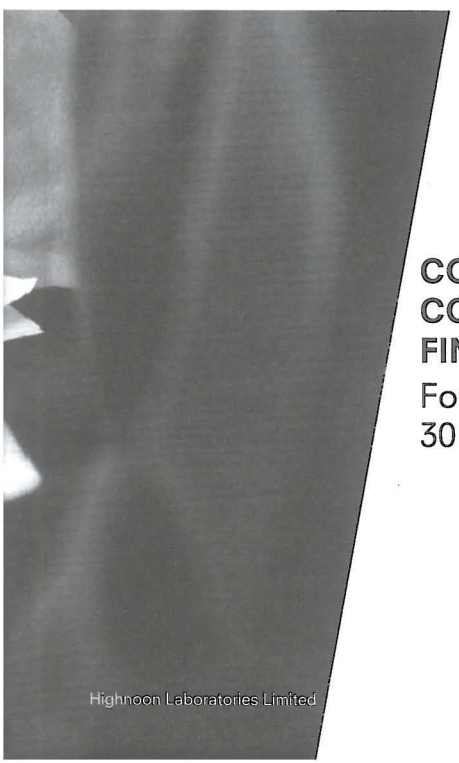
DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR









CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the Nine Months Ended 30 September 2015

HIGHNOON GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		(Rupees)	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Share Capital			
25,000,000 (31 December 2014: 20,000,000)			
Ordinary shares of Rs. 10 each		250,000,000	200,000,000
Share capital		203,621,790	181,805,170
Reserves		896,671,670	731,355,424
Attributable to shareholders' of the Holding Company		1,100,293,460	913,160,594
Non-Controlling Interest		10,819,375	-
Total Equity		1,111,112,835	913,160,594
Surplus on revaluation of fixed assets		214,434,889	221,160,158
Non Current Liabilities			
Liabilities against assets subject to finance lease		46,899,458	30,273,913
Long term advances		22,823,973	13,056,828
Deferred liabilities		273,530,057	269,169,709
		343,253,488	312,500,450
Current Liabilities			
Trade and other payables		420,025,308	409,027,390
Income tax - net		100,723,915	55,637,689
Markup payable on secured loans		5,333	224,687
Current portion of long term liabilities		38,219,495	33,282,639
		558,974,051	498,172,405
TOTAL EQUITY AND LIABILITIES		2,227,775,263	1,944,993,607
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

AS AT 30 SEPTEMBER 2015

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		--------- (Rupees) ---------	
ASSETS			
Non Current Assets			
Property, plant and equipment	7	882,868,984	759,544,053
Intangible assets		50,693,533	63,510,996
Goodwill	8	863,566	-
Long term deposits		1,562,054	1,562,054
		935,988,137	824,617,103
Current Assets			
Stock in trade	9	721,504,938	634,792,103
Trade debts		77,721,197	75,535,273
Advances		66,729,540	43,258,150
Trade deposits and short term prepayments		24,168,856	17,637,699
Profit accrued		-	359,589
Other receivables		2,243,712	1,485,660
Balance with statutory authorities		8,272,679	11,983,557
Cash and bank balances		391,146,204	335,324,473
		1,291,787,126	1,120,376,504
TOTAL ASSETS		2,227,775,263	1,944,993,607

ANEES AHMAD KHAN
DIRECTOR

HIGHNOON GROUP
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
For The Nine Months Ended 30 September 2015

	Note	Nine Month Ended 30 September		Three Month Ended 30 September	
		2015	2014	2015	2014
		(Rupees)		(Rupees)	
Sales - net	10	3,208,090,279	2,737,057,705	1,041,626,196	894,993,631
Cost of sales	11	(1,686,600,963)	(1,565,509,376)	(537,122,739)	(494,211,223)
Gross profit		1,521,489,316	1,171,548,329	504,503,457	400,782,408
Operating expenses					
Distribution, selling and promotional		(845,645,573)	(686,027,127)	(276,232,266)	(232,878,043)
Administrative and general		(186,745,711)	(155,457,718)	(61,562,082)	(51,824,233)
Research and development		(2,349,576)	(2,183,928)	(784,307)	(874,367)
Other operating charges		(42,606,393)	(32,188,048)	(11,416,210)	(11,771,278)
		(1,077,347,253)	(875,856,821)	(349,994,865)	(297,347,921)
		444,142,063	295,691,508	154,508,592	103,434,487
Other income		25,279,621	7,586,008	2,005,253	733,545
Operating profit		469,421,684	303,277,516	156,513,845	104,168,032
Finance cost		(8,102,708)	(14,142,739)	(2,660,820)	(5,299,271)
Profit before taxation		461,318,976	289,134,777	153,853,025	98,868,761
Taxation		(162,777,776)	(99,063,000)	(51,221,466)	(38,500,000)
Profit after taxation		298,541,200	190,071,777	102,631,559	60,368,761
Profit /(Loss) attributable to:					
Shareholders of the Holding Company		298,582,114	190,071,777	102,672,473	60,368,761
Non Controlling Interest		(40,914)	-	(40,914)	-
		298,541,200	190,071,777	102,631,559	60,368,761
			Restated		Restated
Earnings per share-basic and diluted		14.66	9.33	5.04	2.96

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

HIGHNOON GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For The Nine Months Ended 30 September 2015

	Nine Months Ended 30 September	
	2015	2014
	---------- (Rupees) ----------	
Profit after tax for the period	298,541,200	190,071,777
Other comprehensive income	-	
Total comprehensive income for the period	298,541,200	190,071,777
Total comprehensive income / loss for the period attributable to:		
Shareholders of the Holding Company	298,582,114	190,071,777
Non Controlling Interest	(40,914)	-
	298,541,200	190,071,777

Surplus arising on 'revaluation of fixed assets' is presented under a separate head below equity as 'surplus on revaluation of fixed 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 14 form an integral part of this condensed interim consolidated financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

HIGHNOON GROUP
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
For The Nine Months Ended 30 September 2015

	Note	Nine Months Ended 30 September 2015	2014
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		461,317,820	289,134,777
Adjustments for non-cash and other items:			
Depreciation		60,719,265	57,695,434
Amortization of intangible assets		13,662,819	13,549,635
Gain on disposal of property, plant and equipment		(4,982,882)	(4,406,589)
Exchange loss		3,503,136	6,071,356
Provision for defined benefit obligation		20,409,492	31,505,832
Finance cost		8,103,864	14,142,739
		101,415,694	118,558,407
Profit before working capital changes		562,733,514	407,693,184
Working Capital Changes			
(Increase)/decrease in current assets:			
Stock in trade		(86,712,835)	(34,751,280)
Trade debts		(2,185,924)	(17,318,923)
Advances		(23,471,390)	1,971,379
Trade deposits and prepayments		(6,531,157)	-
Balances with statutory authorities		3,710,878	5,964,375
Profit accrued		359,589	-
Other receivables		(758,052)	(116,698)
Increase/(decrease) in current liabilities:			
Trade and other payables		4,881,036	46,627,094
		(110,707,855)	2,375,947
Cash generated from operations		452,025,659	410,069,131
Taxes paid		(114,890,057)	(49,404,907)
Gratuity paid		(18,850,637)	(13,278,869)
Finance cost paid		(2,532,159)	(10,169,946)
Long term advances-net		6,982,922	3,562,162
Net cash from operating activities		322,735,728	340,777,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(79,284,154)	(32,657,240)
Acquisition of subsidiary-net of cash acquired	8	(44,288,984)	-
Intangible assets acquired		(845,356)	(942,884)
Proceeds from disposal of property, plant and equipment		17,252,754	8,152,596
Net cash flow used in investing activities		(107,165,740)	(25,447,528)

	Nine Months Ended 30 September	
	2015	2014
	---------- (Rupees) ----------	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(42,807,435)	(20,139,425)
Long term financing repayment	-	(50,000,000)
Directors' loan repaid	(1,265,477)	-
Short term borrowings- net	-	(73,203)
Dividend paid	(115,675,345)	(79,418,027)
Net cash flow used in financing activities	(159,748,257)	(149,630,655)
Net increase in cash and cash equivalents	55,821,731	165,699,388
Cash and cash equivalents at beginning of the period	335,324,473	49,533,292
Cash and cash equivalents at end of the period	391,146,204	215,232,680

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

HIGHNOON GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For The Nine Months Ended 30 September 2015

	Attributable to owners of Holding Company					
	Share Capital	Revenue Reserves			Non Controlling Interest	Total
		General Reserves	Unappropriated Profit	Sub Total		
	---------- Rupees ----------					
Balance as at 01 January 2014	181,805,170	114,000,000	419,568,145	533,568,145	-	715,373,315
Profit for the period ended 30 September 2014	-	-	190,071,777	190,071,777	-	190,071,777
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	190,071,777	190,071,777	-	190,071,777
Final dividend @ Rs. 4.50 per share for the year ended 31 December 2013	-	-	(81,812,327)	(81,812,327)	-	(81,812,327)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	6,246,151	6,246,151	-	6,246,151
Balance as at 30 September 2014	181,805,170	114,000,000	534,073,746	648,073,746	-	829,878,916
Balance as at 01 January 2015	**181,805,170**	**114,000,000**	**617,355,424**	**731,355,424**	**-**	**913,160,594**
Acquisition of Subsidiary Company (Note-8)	-	-	-	-	10,860,289	10,860,289
Profit/ (loss) for the period ended 30 September 2015	-	-	298,580,958	298,580,958	(40,914)	298,540,044
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	298,580,958	298,580,958	(40,914)	298,540,044
Issuance of bonus shares @ 12%	21,816,620	-	(21,816,620)	(21,816,620)	-	-
Final dividend @ Rs. 6.50 per share for the year ended 31 December 2014	-	-	(118,173,361)	(118,173,361)	-	(118,173,361)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	6,725,269	6,725,269	-	6,725,269
Balance as at 30 September 2015	**203,621,790**	**114,000,000**	**782,671,670**	**896,671,670**	**10,819,375**	**1,111,112,835**

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

HIGHNOON GROUP
SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
For The Nine Months Ended 30 September 2015

1. LEGAL STATUS AND NATURE OF OPERATIONS

The Highnoon Group ("the Group") comprises of holding company Highnoon Laboratories Limited ("HNL") and its subsidiary company Biocef (Private) Limited ("Biocef").

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

Biocef (Private) Limited was incorporated on 10 June 2015 as a private limited company. It is set up with principle object to carry on business as manufacturers, importers, exporters, producers, preparers, refiners, buyers, seller and dealers of all kinds of pharmaceutical, drugs, medicines medicaments, basic raw material, herbs salts, acids, alkalis, chemical & surgical material, instruments and appliances patent and proprietary articles. It owns Greenfield pharmaceuticals project that envisages production of cephalosporin drugs.

The Holding Company acquired 80% shares of Biocef in September 2015 and it became subsidiary company of HNL.

2. STATEMENT OF COMPLIANCE

2.1 This condensed interim consolidated financial information of the Group for the Nine months ended 30 September 2015 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 condensed interim consolidated 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 condensed interim consolidated financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Holding Company's annual financial statements as at 31 December 2014.

3.2 The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Holding Company for the year ended 31 December 2014 except for as disclosed in note 3.3 below.

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

IFRS 10 – Consolidated Financial Statements

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

IFRS 19 – Employee Benefits - (Amendments)- Defined Benefit Plans: Employee Contribution

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim consolidated financial information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation are the same as those that applied to the financial statements of the Holding Company for the year ended 31 December 2014.

5. BASIS OF CONSOLIDATION

The Group's consolidated financial statements include the financial statement of HNL and its subsidiary company Biocef. The Group uses the acquisition method of accounting to account for business combination. Identifiable assets acquired and liabilities assumed in the acquisition are measured initially at their fair value at the date of acquisition. The Group recognizes any non-controlling interest in the Biocef either at fair value or at the non-controlling interest's proportionate share of Biocef's identifiable net assets

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net asset of the subsidiary acquired, the difference is recognized in profit and loss account. After initial recognition it's measured at carrying value i.e. at date of acquisition less any accumulated impairment.

The financial statements of Biocef have been consolidated on line by line basis. Intra Group balances, transactions, income and expenses have been eliminated. Assets, liabilities, income and expense have been consolidated from the date Group acquires the control of the subsidiary till the control cease to exist. Unrealized gain or loss on intra group transactions are also eliminated but unrealized losses are however recognized to the extent of impairment, if any.

The Group uses the same accounting policies for the Holding and subsidiary companies.

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

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

Commitments:

Commitments against irrevocable letters of credit include:

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		(Rupees)	
Raw materials		228,096,187	165,343,886
Packing materials		48,753,958	34,306,061
Finished goods		20,319,000	8,295,000
Plant and machinery		12,644,328	-
		309,813,473	207,944,947

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		(Rupees)	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - (owned)	(7.1)	750,720,935	669,818,556
Operating fixed assets - (leased)	(7.2)	123,509,255	81,423,968
Capital work-in-progress	(7.3)	8,638,794	8,301,529
		882,868,984	759,544,053

7.1 Operating fixed assets (owned)

	Opening book value	669,818,556	694,898,950
Add:	Additions during the period / year - cost (7.1.1)	82,834,194	39,442,119
	Acquisition of Subsidiary Company (7.1.2)&(8)	51,779,610	-
	Transferred during the period / year -vehicles	5,184,768	7,625,855
		139,798,572	47,067,974
Less:	Deletions during the period / year (7.1.3)	12,269,872	7,932,174
	Depreciation during the period / year	46,626,321	64,216,194
		58,896,193	72,148,368
	Book value at the end of the period / year	750,720,935	669,818,556

7.1.1 Additions during the period / year - cost

Building on freehold land	2,282,599	-
Plant and machinery	39,396,628	2,975,340
Laboratory equipment	1,357,400	8,814,112
Furniture and fixtures	720,371	155,928
Electric and gas appliances	2,846,248	1,162,400
Office equipment	2,223,331	1,971,739
Vehicles	34,007,617	24,362,600
	82,834,194	39,442,119

7.1.2 Acquisition of Subsidiary Company's assets-WDV

Land	25,000,000	-
Building on freehold land	26,684,225	-
Furniture and fixtures	34,935	-
Office equipment	60,450	-
	51,779,610	-

7.1.3 Deletions during the period / year WDV

Plant and machinery	2,172,389	-
Office equipment	222,056	367,501
Vehicles	9,875,427	7,564,673
	12,269,872	7,932,174

	Note	Un Audited 30 September 2015	Audited 31 December 2014
		(Rupees)	
7.2 Operating fixed assets (leased)			
Opening book value		81,423,968	52,614,628
Add: Additions during the period / year - cost		61,363,000	50,944,000
		142,786,968	103,558,628
Less: Transfers during the period / year		(5,184,768)	7,625,855
Depreciation during the period / year		(14,092,945)	14,508,805
		(19,277,713)	22,134,660
Book value at the end of the period / year		123,509,255	81,423,968
7.2.1 Additions during the period / year - cost			
Plant and machinery		15,694,000	-
Vehicles		45,669,000	50,944,000
		61,363,000	50,944,000
7.3 Capital work in progress			
Civil works		585,520	1,763,058
Plant and machinery - owned		3,475,570	2,967,471
Advance to suppliers (for purchase of vehicles)		690,400	3,571,000
Acquisition of Subsidiary Company	8	3,887,304	-
		8,638,794	8,301,529

8. ACQUISITION OF SUBSIDIARY COMPANY- BIOCEF (PRIVATE) LIMITED ("BIOCEF")

On 02 September 2015, the Holding Company acquired 80% of the shareholding of Biocef for cash consideration. It was acquired to get a quick access to Cephalosporin drug market in order to diversify the Group's product range and therapeutic presence.

The Group has elected to measure the non-controlling interest in Biocef at non-controlling interest's proportionate share of net identifiable assets at the date of acquisition.

ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair value of the identifiable assets and liabilities of Biocef as at the date of acquisition were:

Assets	Rupees
Property, plant and equipment	51,779,610
Capital work in progress - civil work	3,887,304
Cash and cash equivalents	11,816
	55,678,730
Liabilities	
Trade and payables	115,730
Directors' loans	1,265,477
	1,381,207
Total identifiable net assets at fair value	54,297,523
Non-Controlling Interest measured at proportionate share of Biocef's net identifiable asset at acquisition date	(10,860,289)
Goodwill arising on acquisition	863,566
Purchase consideration transferred in cash	44,300,800

	Un Audited 30 September 2015	Audited 31 December 2014
	(Rupees)	

9. STOCK IN TRADE

Raw materials		
In hand	364,285,004	298,815,977
In transit	-	10,094,743
	364,285,004	308,910,720
Packing materials		
In hand	129,560,929	120,532,834
In transit	-	-
With third party	-	-
	129,560,929	120,532,834
Work in process	71,660,226	55,356,113
Finished goods		
In hand	150,909,639	149,221,552
With third party	5,089,140	770,884
	155,998,779	149,992,436
	721,504,938	634,792,103

10. SALES - net

	Un-Audited			
	Nine Months Ended 30 September		Three Month Ended 30 September	
	2015	2014	2015	2014
	Rupees			
Manufactured products				
Local	2,900,140,476	2,504,457,988	976,395,010	812,440,342
Export	194,471,369	179,008,893	45,348,172	54,121,520
	3,094,611,845	2,683,466,881	1,021,743,182	866,561,862
Purchased products-Local	53,810,052	25,934,674	17,728,746	8,875,543
Third Party	300,951,045	252,835,874	79,603,782	87,967,591
	3,449,372,942	2,962,237,429	1,119,075,710	963,404,996
Less: Discount	232,085,205	218,132,209	75,283,276	67,092,585
Sales tax	9,197,458	7,047,515	2,166,238	1,318,780
	241,282,663	225,179,724	77,449,514	68,411,365
	3,208,090,279	2,737,057,705	1,041,626,196	894,993,631

11. COST OF SALES

Opening stock of finished goods (excluding purchased products)	140,089,826	102,090,848	109,880,781	79,047,644
Cost of goods manufactured	1,639,770,316	1,545,245,956	539,949,461	508,406,391
	1,779,860,142	1,647,336,804	649,830,242	587,454,035
Closing stock of finished goods	(125,689,491,00)	(99,314,973)	(125,689,491)	(99,314,973)
Cost of sales - Manufactured	1,654,170,651	1,548,021,831	524,140,751	488,139,062
Cost of sales - Purchased products	32,430,312	17,487,545	12,981,988	6,072,161
	1,686,600,963	1,565,509,376	537,122,739	494,211,223

12. RELATED PARTY TRANSACTIONS

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

	Un-Audited			
	Nine Months Ended 30 September		Three Month Ended 30 September	
	2015	2014	2015	2014
	---------- Rupees ----------			
12.1 Sales of goods				
Associated Company	19,784,736	60,866,229	2,908,007	17,234,664
12.2 Contribution towards employees' benefits				
HNL Staff provident fund	13,765,260	11,335,236	4,647,791	3,736,555
HNL Employees' welfare trust	1,196,000	965,945	421,250	333,750
12.3 Remuneration				
CEO	7,430,381	9,558,167	2,914,599	3,227,450
Directors	18,942,776	22,400,007	6,068,431	8,595,598
Executives	154,105,781	139,678,632	64,984,441	44,060,026

		Un-Audited 30 September 2015	Audited 31 December 2014
		---------- (Rupees) ----------	
12.4 The outstanding balances of related parties are as under:			
Relationship with the Group	Nature of balance		
Associated company	Creditors	402,527	462,917
HNL Staff provident fund	Contribution payable	3,098,064	2,530,613
Directors of Subsidiary Company	Loan repaid	1,265,477	-

13. DATE OF AUTHORIZATION FOR ISSUANCE

The Board of Directors of the Holding Company authorized the condensed interim consolidated financial information for issuance on 28 October 2015.

14. GENERAL

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

14.2 Figures have been rounded off to the nearest rupee.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

BOOK
POST

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