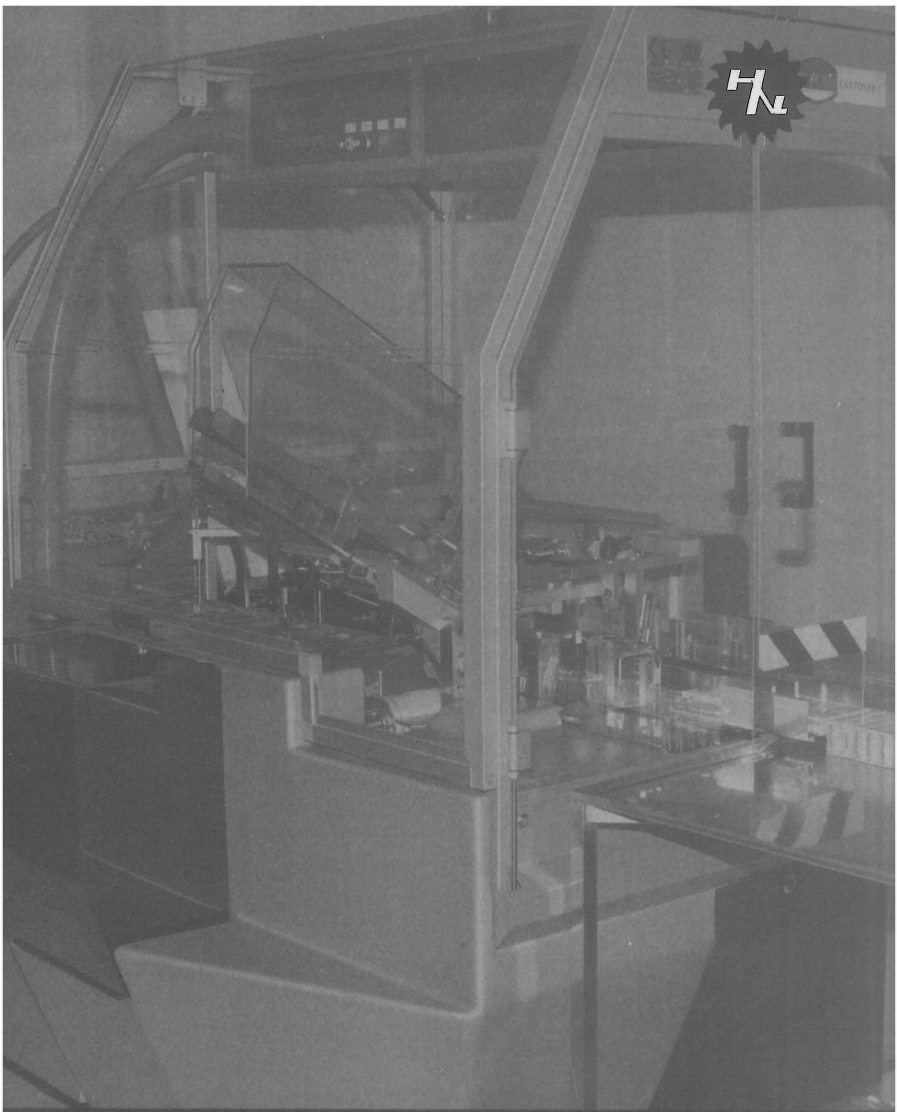


HIGHNOON LABORATORIES LIMITED

Q3 Report 2017

www.highnoon-labs.com

HIGHNOON FOR A HEALTHIER NATION

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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 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	EY Ford Rhodes 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

I feel pleasure to present the financial statements of the Company for the nine months ended 30th September 2017 on behalf of the Board of Directors.

The Company generated net sales revenue of Rs.4.31 billion during the period under review compared to Rs.3.74 billion in the same period last year registering a growth of 15 percent. On quarterly basis, the net sales revenue increased by 249 million showing an increase of 21 percent over same period last year. Gross profit and gross profit as a percentage of sales for the period amounted to Rs.2.10 billion and 49% as compared to Rs.1.78 billion and 48% respectively. Distribution selling & promotional expenses and administrative expenses increased by 20% and 10% respectively over same period last year. The increase is largely because of increase in the size of sales team to improve market penetration and improving customer focus. The net profit after tax and earnings per shares increased to Rs.469 million and Rs.18.35 per shares which translates in an increase of 17 percent same period last year.

While we will continue to work through our portfolio of established products that has demonstrated a strong position in the market and strong demand, we are excited with our new products that are lined up for launch in the last quarter of this year as well as in first quarter of next year.

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: 21 October 2017

Tausif Ahmad Khan
Chairman

جائزہ از چیئرمین

میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے مالیاتی گوشوارے برائے نو ماہ مختتمہ 30 ستمبر 2017 پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

زیر جائزہ مدت کے دوران کمپنی نے 4.31 ارب روپے کی خالص فروخت آمدن حاصل کی، جو کہ پچھلے سال کی نو ماہ کی خالص فروخت آمدن 3.74 ارب روپے کے مقابلے میں 15 فیصد زیادہ ہے سہ ماہی کی بنیاد پر خالص فروخت آمدن میں 249 ملین روپے کا اضافہ ہوا جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 21 فیصد زیادہ ہے۔ اس عرصہ کے دوران خام منافع اور اس کا خالص فروخت آمدن سے تناسب بالترتیب 2.10 ارب روپے اور 49 فیصد رہا جبکہ پچھلے سال کا نو ماہ کا خام منافع 1.78 ارب روپے اور تناسب 48 فیصد تھا ڈسٹری بیوشن، مارکیٹنگ اور انتظامی اخراجات میں پچھلے سال اسی عرصہ کی نسبت بالترتیب 20 فیصد اور 10 فیصد اضافہ ہوا۔ اخراجات میں اضافہ کی بڑی وجہ کسٹمر پر بہتر توجہ دینے اور مارکیٹ میں بہتر رسائی کے لئے مارکیٹنگ ٹیم کے حجم میں اضافہ ہے۔ خالص منافع بعد از ٹیکس مبلغ 469 ملین روپے رہا جبکہ فی حصص خالص منافع 18.35 روپے رہا جو کہ پچھلے سال کی اسی عرصہ کے مقابلے میں 17 فیصد اضافہ ظاہر کرتا ہے۔

ہم اپنے مستحکم مجموعہ ادویات کے ساتھ کام کرتے رہیں گے جو کہ مارکیٹ میں اپنی مضبوط طلب اور مقام کو منوا چکا ہے اس کے ساتھ ساتھ ہم اس سال کی آخری سہ ماہی اور اگلے سال کی پہلی سہ ماہی میں اپنی بہت سی نئی ادویات کو مارکیٹ میں متعارف کروانے کے لئے نہایت پر جوش اور سرگرم عمل ہیں۔

میں بورڈ آف ڈائریکٹرز کی جانب سے اپنے تمام حصص داران، ڈاکٹرز، فارماسسٹس، صارفین، شراکت داروں اور بینکوں کی سرپرستی اور کاروباری تعاون کے لئے بے حد مشکور ہوں۔ اور اس کے ساتھ میں اپنے ملازمین اور انتظامیہ کی مسلسل غیر متزلزل اور انتھک کوششوں اور محنت کی بھرپور قدر کرتا ہوں۔

بحکم بورڈ آف ڈائریکٹرز

توصیف احمد خان
چیئرمین

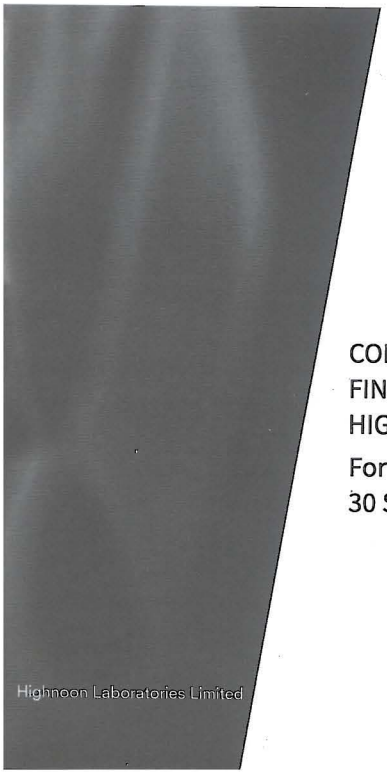
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CONDENSED INTERIM FINANCIAL INFORMATION HIGHNOON LABORATORIES LTD.

For the Quarter Ended
30 September 2017

BALANCE SHEET

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		--------- (Rupees) ---------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (31 December 2016: 25,000,000)			
Ordinary shares of Rs. 10 each		500,000,000	250,000,000
Share capital		255,423,160	228,056,400
Revenue reserves		1,628,460,151	1,376,455,659
Total equity		1,883,883,311	1,604,512,059
Surplus on revaluation of fixed assets		205,427,524	209,883,736
Non-current liabilities			
Liabilities against assets subject to finance lease		12,213,769	16,843,781
Long term advances		42,925,047	27,248,879
Deferred liabilities		331,498,368	312,920,256
		386,637,184	357,012,916
Current liabilities			
Trade and other payables		429,523,476	491,811,842
Mark up payable		23,053	18,622
Current portion of long term liabilities		22,212,969	27,104,927
Income tax-net		158,787,966	143,275,421
		610,547,464	662,210,812
TOTAL EQUITY AND LIABILITIES		3,086,495,483	2,833,619,523
CONTINGENCIES AND COMMITMENTS	6		

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

AS AT 30 SEPTEMBER 2017

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	7	745,693,282	744,163,879
Intangible assets		9,146,726	21,765,868
Long term investment		200,000,000	200,000,000
Long term deposits		12,111,613	12,111,613
		966,951,621	978,041,360
Current assets			
Stock in trade	8	1,076,661,854	992,637,743
Trade debts		245,236,204	75,154,453
Advances		107,786,227	74,672,999
Trade deposits and short term prepayments		26,641,340	17,423,457
Profit accrued		2,867,773	1,235,074
Other receivables		4,284,439	3,341,447
Tax refund due from government		9,361,522	10,413,130
Loan to subsidiary		20,000,000	-
Cash and bank balances		626,704,503	680,699,860
		2,119,543,862	1,855,578,163
TOTAL ASSETS		3,086,495,483	2,833,619,523

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

PROFIT AND LOSS ACCOUNT (UN AUDITED)
For the nine months ended 30 September 2017

	Note	Nine Months Ended 30 September		Three Months Ended 30 September	
		2017	2016	2017	2016
		(Rupees)		(Rupees)	
Sales - net	9	4,311,501,128	3,739,305,548	1,453,663,213	1,204,578,121
Cost of sales	10	(2,215,127,514)	(1,960,197,683)	(755,013,466)	(643,465,357)
Gross profit		2,096,373,614	1,779,107,865	698,649,747	561,112,764
Distribution, selling and promotional expenses		(1,163,197,416)	(965,547,411)	(410,364,405)	(301,801,423)
Administrative and general expenses		(193,087,698)	(175,719,249)	(61,804,256)	(61,180,356)
Research and development expenses		(2,592,605)	(2,715,041)	(775,762)	(1,088,987)
Other operating expenses		(66,408,646)	(54,544,225)	(21,462,737)	(16,205,439)
		(1,425,286,365)	(1,198,525,926)	(494,407,160)	(380,276,205)
Operating Profit		671,087,249	580,581,939	204,242,587	180,836,559
Other income		24,295,707	10,305,579	10,564,725	1,898,897
		695,382,956	590,887,518	214,807,312	182,735,456
Finance costs		(3,620,666)	(4,160,600)	(1,267,540)	(889,594)
Profit before taxation		691,762,290	586,726,918	213,539,772	181,845,862
Taxation		(222,999,301)	(187,102,262)	(61,971,271)	(53,127,267)
Profit for the period		468,762,989	399,624,656	151,568,501	128,718,595
			Restated		Restated
Earnings per share - basic and diluted		18.35	15.65	5.93	5.04

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)
For the nine months ended 30 September 2017

	30 September 2017	30 September 2016
	---------- (Rupees) ----------	
Profit for the period	468,762,989	399,624,656
Other comprehensive (loss) / income:		
Items to be reclassified to profit and loss in subsequent periods:		
Net unrealized gain on available for sale investments	-	-
Total comprehensive income for the period	468,762,989	399,624,656

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 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT (UN AUDITED)
For the nine months ended 30 September 2017

	Nine Months Ended 30 September	
	2017	2016
	---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	691,762,290	586,726,918
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	58,591,490	60,349,647
Amortization of intangible assets	12,619,142	12,505,651
Gain on disposal of property, plant and equipment	(7,950,837)	(3,254,468)
Exchange loss	7,422,993	5,052,305
Provision for slow moving and obsolete items	4,529,998	9,752,122
Provision for defined benefit obligation	33,277,302	32,377,221
Finance costs	3,620,666	4,160,600
	112,110,754	120,943,078
Profit before working capital changes	803,873,044	707,669,996
Effect on cash flow due to working capital changes:		
(Increase)/decrease in current assets:		
Stock in trade	(88,554,109)	(65,286,559)
Trade debts	(170,081,751)	12,303,556
Advances	(33,113,228)	24,132,396
Trade deposits and short term prepayments	(9,217,883)	(544,276)
Profit accrued	(1,632,699)	82,871
Other receivables	(942,992)	661,808
Tax refund due from government	1,051,608	(24,202)
Increase/(decrease) in current liabilities:		
Trade and other payables	(86,245,079)	(4,309,321)
	(388,736,133)	(32,983,727)
Cash flows generated from operations	415,136,911	674,686,269
Taxes paid	(210,482,530)	(124,148,576)
Gratuity paid	(11,701,223)	(7,446,190)
Finance costs paid	(1,715,035)	(1,746,699)
Long term advances received - net	13,590,679	15,914,921
Net cash flow generated from operating activities	204,828,802	557,259,725

	Nine Months Ended 30 September	
	2017	2016
	---------- (Rupees) ----------	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(58,308,202)	(26,661,451)
Long term Investment made - net	-	(100,700,000)
Long term deposits - net	-	(1,622,700)
Loan to subsidiary	(20,000,000)	-
Proceeds from disposal of property, plant and equipment	19,612,846	8,419,206
Net cash flow used in investing activities	(58,695,356)	(120,564,945)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities - net	(22,814,583)	(20,168,152)
Dividend paid	(177,314,220)	(145,366,780)
Net cash flow used in financing activities	(200,128,803)	(165,534,932)
Net (decrease) / increase in cash and cash equivalents	(53,995,357)	271,159,848
Cash and cash equivalents at beginning of the period	680,699,860	352,794,973
Cash and cash equivalents at end of the period	626,704,503	623,954,821

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY (UN AUDITED)
For the nine months ended 30 September 2017

		Revenue reserves			
	Share Capital	General reserve	Unappropri-ated profit	Sub total	Total
Baiance as at 01 January 2016	203,621,790	114,000,000	907,980,732	1,021,980,732	1,225,602,522
Profit for the period ended 30 September 2016	-	-	399,624,656	399,624,656	399,624,656
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period ended September 2016	-	-	399,624,656	399,624,656	399,624,656
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	5,085,479	5,085,479	5,085,479
Issuance of bonus shares @ 12% for the year ended 31 December 2015	24,434,610	-	(24,434,610)	(24,434,610)	-
Final dividend @ Rs. 7.50 per share for the year ended 31 December 2015	-	-	(152,716,343)	(152,716,343)	(152,716,343)
Balance as at 30 September 2016	228,056,400	114,000,000	1,135,539,914	1,249,539,914	1,477,596,314
Balance as at 01 January 2017	228,056,400	114,000,000	1,262,455,659	1,376,455,659	1,604,512,059
Profit for the period ended 30 September 2017	-	-	468,762,989	468,762,989	468,762,989
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period ended September 2017	-	-	468,762,989	468,762,989	468,762,989
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	4,456,203	4,456,203	4,456,203
Issuance of bonus shares @ 12% for the year ended 31 December 2016	27,366,760	-	(27,366,760)	(27,366,760)	-
Final dividend @ Rs. 8.50 per share for the year ended 31 December 2016	-	-	(193,847,940)	(193,847,940)	(193,847,940)
Balance as at 30 September 2017	255,423,160	114,000,000	1,514,460,151	1,628,460,151	1,883,883,311

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE FINANCIAL INFORMATION (UN AUDITED) For the nine months ended 30 September 2017

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 Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged) 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.

This financial information is the separate financial information of the Company in which investment in subsidiary is stated at cost less impairment losses, if any. The condensed interim consolidated financial information are prepared separately.

2 STATEMENT OF COMPLIANCE

2.1 During the year, the Companies Act 2017 (the Act) has been effective from 30 May 2017. However, Securities and Exchange Commission of Pakistan vide its circular no.17 of 2017 dated July 20, 2017 communicated that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, these unconsolidated condensed interim financial information of the Company for the nine months period ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance,1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

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 These unconsolidated condensed interim financial information of the Company for the nine months period ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance,1984.

3.2 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 2016.

4 ACCOUNTING POLICIES

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 2016 except as follows:

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

IFRS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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, incomes 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 2016.

6 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 2017	Audited 31 December 2016
		(Rupees)	
Raw materials		218,143,832	137,935,968
Packing materials		12,639,503	14,018,692
Finished goods		36,496,751	13,075,056
Plant and machinery		-	902,781
		267,280,086	165,932,497
Rentals under ijara agreements:			
Not later than one year		25,283,827	30,755,447
Later than one year but not later than five years		8,255,898	22,086,957
		33,539,725	52,842,404

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets:			
owned assets	7.1	675,263,830	677,233,432
leased assets	7.2	52,323,653	51,401,091
		727,587,483	728,634,523
Capital work in progress	7.3	18,105,799	15,529,356
		745,693,282	744,163,879

		Note	Un Audited 30 September 2017	Audited 31 December 2016
			(Rupees)	
7.1	**Operating fixed assets (owned)**			
	Opening book value		677,233,432	708,136,848
	Add: Additions during the period / year - cost	7.1.1	55,731,750	34,400,206
	Transferred from leased assets during the period / year - vehicles		3,564,338	20,085,578
			59,296,088	54,485,784
	Less: Deletions during the period / year	7.1.2	11,662,009	15,880,157
	Depreciation during the period / year		49,603,681	68,032,327
	Adjustment during the period / year		-	1,476,716
			61,265,690	85,389,200
	Book value at the end of the period / year		675,263,830	677,233,432
7.1.1	**Additions during the period / year - cost**			
	Plant and machinery		11,102,301	5,318,083
	Laboratory equipment		585,500	7,706,781
	Furniture and fixtures		191,430	361,881
	Electric and gas appliances		832,500	2,288,999
	Office equipment		1,068,689	2,000,973
	Vehicle		41,951,330	16,723,489
			55,731,750	34,400,206
7.1.2	**Deletions during the period / year**			
	Plant and machinery		185,348	179,212
	Office equipment		67,345	611,712
	Vehicles		11,409,316	15,089,233
			11,662,009	15,880,157
7.2	**Operating fixed assets (leased - vehicles)**			
	Opening book value		51,401,091	55,747,159
	Add: Additions during the period / year - cost		13,474,709	26,884,500
	Adjustment during the period / year		-	1,476,716
			13,474,709	28,361,216
	Less: Transfers to owned assets during the period / year		3,564,338	20,085,578
	Depreciation during the period / year		8,987,809	12,621,706
			12,552,147	32,707,284
	Book value at the end of the period / year		52,323,653	51,401,091
7.3	**Capital work in progress**			
	Plant and machinery - owned		1,564,299	144,357
	Advances to suppliers - vehicles		16,541,500	15,384,999
			18,105,799	15,529,356

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		(Rupees)	
8. STOCK IN TRADE			
Raw materials			
In hand		516,157,014	445,923,691
In transit		77,108,320	66,638,762
With third party		6,808,537	9,631,538
		600,073,871	522,193,991
Packing material			
In hand		148,912,399	150,436,820
In transit		4,591,688	18,285,690
With third party		5,124,206	3,774,757
		158,628,293	172,497,267
Work in process		69,899,946	51,610,441
Finished goods			
In hand		249,728,770	247,732,321
In transit		-	14,286,853
		249,728,770	262,019,174
Less: provision for slow moving and obsolete items	(8.1)	(1,669,026)	(15,683,130)
		1,076,661,854	992,637,743

8.1 Provision for slow moving and obsolete items

Opening provision	15,683,130	11,083,975
Charge for the year	4,529,998	12,168,711
Written off during the year	(18,544,102)	(7,569,556)
Closing provision	1,669,026	15,683,130

	Un Audited			
	Nine Month Period Ended 30 September		Three Month Period Ended 30 September	
	2017	2016	2017	2016
	(Rupees)		(Rupees)	
9. SALES - net				
Manufactured products				
Local	4,122,525,878	3,544,171,457	1,381,565,815	1,162,285.621
Export	305,602,407	201,453,620	109,133,618	75,527,960
	4,428,128,285	3,745,625,077	1,490,699,433	1,237,813,581
Purchased products - local	80,609,200	76,158,439	15,742,119	23,181,564
Third party	210,025,754	285,590,262	81,339,610	62,388,681
	4,718,763,239	4,107,373,778	1,587,781,162	1,323,383,826
Less: Discount	397,751,536	356,596,378	132,499,037	116,092,245
Sales tax	9,510,575	11,471,852	1,618,912	2,713,460
	407,262,111	368,068,230	134,117,949	118,805,705
	4,311,501,128	3,739,305,548	1,453,663,213	1,204,578,121
10. COST OF SALES				
Opening stock of finished goods (excluding purchased products)	225,020,552	190,760,824	198,783,666	173,950,196
Cost of goods manufactured	2,138,705,833	1,876,816,692	746,382,737	611,616,473
	2,363,726,385	2,067,577,516	945,166,403	785,566,669
Closing stock of finished goods (excluding purchased products)	(198,786,143)	(158,135,399)	(198,786,143)	(158,135,399)
Cost of sales - manufactured	2,164,940,242	1,909,442,117	746,380,260	627,431,270
Cost of sales - purchased products	50,187,272	50,755,566	8,633,206	16,034,087
	2,215,127,514	1,960,197,683	755,013,466	643,465,357

11. 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:

11.1 Sales of goods				
Associated company	166,444,162	212,662,253	52,867,674	63,811,577
11.2 Purchase of goods				
Associated company	178,672,149	161,560,666	93,168,105	38,955,408
11.3 Contribution towards employees' benefits fund:				
Staff provident fund	19,090,104	15,547,640	6,510,531	5,359,970
Employees' welfare trust	1,844,561	1,323,450	618,064	452,950

	Un Audited			
	Nine Month Period Ended 30 September		Three Month Period Ended 30 September	
	2017	2016	2017	2016
	---------- (Rupees) ----------		---------- (Rupees) ----------	
11.4 Remuneration				
Chief Executive Officer	11,442,708	8,315,277	4,541,728	3,179,795
Directors	13,115,241	18,271,983	4,810,837	5,970,104
Executives	224,707,667	180,009,605	84,860,398	65,185,330

		Un Audited 30 September 2017	Audited 31 December 2016
		---------- (Rupees) ----------	
11.5 The outstanding balances of such parties are as under:			
Relationship with the Company	Nature of balance		
Associated company	Creditors	970,970	2,083,998
Staff provident fund	Contribution payable	4,473,681	4,130,226
Employees' welfare trust	Contribution payable	415,876	361,509
Associated company	Advances	1,259,088	-
Subsidiary company	Accrued profit	93,896	-

12 DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized this condensed interim financial information for issuance on 21 October 2017.

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 unless otherwise specified.

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CHAIRMAN'S REVIEW

I feel pleasure to present the consolidated financial statements of the Company and its subsidiary for the nine months ended 30th September 2017 on behalf of the Board of Directors.

The Group generated net sales revenue of Rs.4.31 billion during the period under review compared to Rs.3.74 billion in the same period last year registering a growth of 15 percent. On quarterly basis, the net sales revenue increased by 249 million showing an increase of 21 percent over same period last year. Gross profit and gross profit as a percentage of sales for the period amounted to Rs.2.10 billion and 49% as compared to Rs.1.78 billion and 48% respectively. Distribution selling & promotional expenses and administrative expenses increased by 20% and 13% respectively over same period last year. The increase is largely because of increase in the size of sales team to improve market penetration and improving customer focus. The net profit after tax and earnings per shares increased to Rs.454 million and Rs.17.76 per shares which translates in an increase of 16 percent same period last year.

While we will continue to work through our portfolio of established products that has demonstrated a strong position in the market and strong demand, we are excited with our new products that are lined up for launch in the last quarter of this year as well as in first quarter of next year.

Curexa Health Private Limited, a wholly owned subsidiary of the company has received all regulatory approvals including product registration letter permitting to manufacture 27 pharmaceutical products and has now commenced commercial operations. Curexa Health Private Limited has a state of the art production plant which will manufacture Cephalosporin products including sterile powder for injections, powder for oral suspensions and capsules for the local and export markets.

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: 21 October 2017

Tausif Ahmad Khan
Chairman

جائزہ از چیئرمین

میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی اور اس کی کُلی ذیلی کمپنی کے اشتمال شدہ مالیاتی گوشوارے برائے نو ماہ مختتمہ 30 ستمبر 2017 پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

زیرِ جائزہ مدت کے دوران گروپ نے 4.31 ارب روپے کی خالص فروخت آمدن حاصل کی، جو کہ پچھلے سال کی نو ماہ کی خالص فروخت آمدن 3.74 ارب روپے کے مقابلے میں 15 فیصد زیادہ ہے سہ ماہی کی بنیاد پر خالص فروخت آمدن میں 249 ملین روپے کا اضافہ ہوا جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 21 فیصد زیادہ ہے۔ اس عرصہ کے دوران خام منافع اور اس کا خالص فروخت آمدن سے تناسب بالترتیب 2.10 ارب روپے اور 49 فیصد رہا جبکہ پچھلے سال کا نو ماہ کا خام منافع 1.78 ارب روپے اور تناسب 48 فیصد تھا ڈسٹری بیوشن، مارکیٹنگ اور انتظامی اخراجات میں پچھلے سال اسی عرصہ کی نسبت بالترتیب 20 فیصد اور 13 فیصد اضافہ ہوا۔ اخراجات میں اضافہ کی بڑی وجہ کسٹمر پر بہتر توجہ دینے اور مارکیٹ میں بہتر رسائی کے لئے مارکیٹنگ ٹیم کے حجم میں اضافہ ہے۔ خالص منافع بعد از ٹیکس مبلغ 454 ملین روپے رہا جبکہ فی حصص خالص منافع 17.76 روپے رہا جو کہ پچھلے سال کی اسی عرصہ کے مقابلے میں 16 فیصد اضافہ ظاہر کرتا ہے۔

ہم اپنے مستحکم مجموعہ ادویات کے ساتھ کام کرتے رہیں گے جو کہ مارکیٹ میں اپنی مضبوط طلب اور مقام کو منوا چکا ہے۔ اس کے ساتھ ساتھ ہم اس سال کی آخری سہ ماہی اور اگلے سال کی پہلی سہ ماہی میں اپنی بہت سی نئی ادویات کو مارکیٹ میں متعارف کروانے کے لئے نہایت پُر جوش اور سرگرم عمل ہیں۔

کیور یکسا ہیلتھ پرائیویٹ لمیٹڈ جو کہ ہائی نون لیبارٹریز لمیٹڈ کی کُلی ذیلی کمپنی ہے کو تمام باضابطہ قانونی منظوریاں مل چکی ہیں جس میں 27 ادویات کی رجسٹریشن اور انہیں تیار کرنے کے اجازت نامے بھی شامل ہیں اور کمپنی نے تجارتی بنیادوں پر ادویات سازی شروع کر دی ہے۔ کیور یکسا ہیلتھ پرائیویٹ لمیٹڈ ایک نہایت جدید پلانٹ ہے جو کہ سیفلوسپورن ادویات سازی کرے گا جس میں انجکشن کے لئے سٹیرائل پاؤڈر، اورل سسپنشن پاؤڈر اور کیپسول شامل ہیں۔ یہ ادویات مقامی اور بین الاقوامی مارکیٹ میں فروخت کی جائیں گی۔

میں بورڈ آف ڈائریکٹرز کی جانب سے اپنے تمام حصص داران، ڈاکٹرز، فارماسسٹس، صارفین، شراکت داروں اور بینکوں کی سرپرستی اور کاروباری تعاون کے لئے بے حد مشکور ہوں۔ اور اس کے ساتھ میں اپنے ملازمین اور انتظامیہ کی مسلسل غیر متزلزل اور انتھک کوششوں اور محنت کی بھرپور قدر کرتا ہوں۔

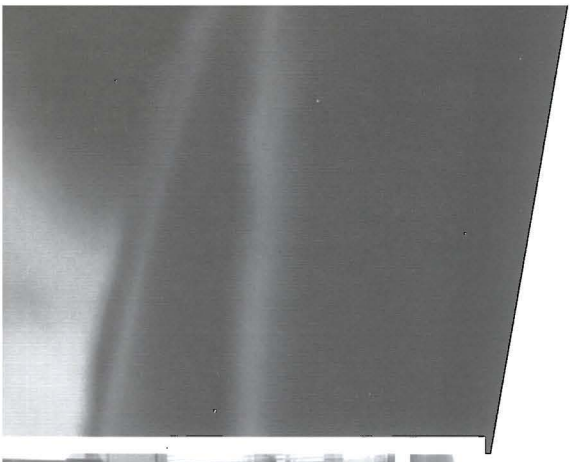
بحکم بورڈ آف ڈائریکٹرز

توصیف احمد خان

چیئرمین

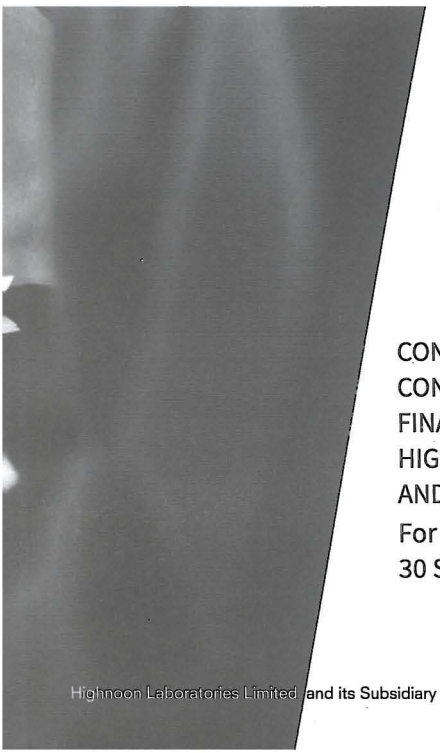
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CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION HIGHNOON LABORATORIES LTD. AND ITS SUBSIDIARY

For the Quarter Ended
30 September 2017

CONSOLIDATED BALANCE SHEET

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		(Rupees)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (31 December 2016: 25,000,000)			
Ordinary shares of Rs. 10 each		500,000,000	250,000,000
Share capital		255,423,160	228,056,400
Revenue reserves		1,600,389,018	1,363,429,484
Total equity		1,855,812,178	1,591,485,884
Surplus on revaluation of fixed assets		205,427,524	209,883,736
Non-current liabilities			
Long term loan		89,062,500	95,000,000
Liabilities against assets subject to finance lease		12,213,769	16,843,781
Long term advances		43,084,325	27,248,879
Deferred liabilities		331,498,368	312,920,256
		475,858,962	452,012,916
Current liabilities			
Trade and other payables		435,832,575	494,131,845
Mark up payable		2,113,134	148,684
Short term borrowing		18,497,721	-
Current portion of long term liabilities		28,150,469	27,104,927
Income tax-net		155,073,601	143,275,421
		639,667,500	664,660,877
TOTAL EQUITY AND LIABILITIES		3,176,766,164	2,918,043,413
CONTINGENCIES AND COMMITMENTS	6		

'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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

AS AT 30 SEPTEMBER 2017

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		---------- (Rupees) ----------	
ASSETS			
Non- current assets			
Property, plant and equipment	7	1,021,151,079	954,602,093
Intangible assets		10,086,726	21,765,868
Goodwill		834,230	834,230
Long term deposits		12,852,913	12,111,613
		1,044,924,948	989,313,804
Current assets			
Stock in trade	8	1,090,637,220	992,637,743
Trade debts		245,236,204	75,154,453
Advances		125,200,616	74,772,999
Trade deposits and short term prepayments		27,188,121	17,548,529
Profit accrued		2,867,773	1,235,074
Other receivables		4,284,439	3,341,447
Tax refund due from government		9,361,522	13,746,565
Cash and bank balances		627,065,321	750,292,799
		2,131,841,216	1,928,729,609
TOTAL ASSETS		3,176,766,164	2,918,043,413

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
For the nine months ended 30 September 2017

	Note	Nine Months Ended 30 September		Three Months Ended 30 September	
		2017	2016	2017	2016
		---------- (Rupees) ----------		---------- (Rupees) ----------	
Sales - net	9	4,311,501,128	3,739,305,548	1,453,663,213	1,204,578,121
Cost of sales	10	(2,215,127,514)	(1,960,197,683)	(755,013,466)	(643,465,357)
Gross profit		2,096,373,614	1,779,107,865	698,649,747	561,112,764
Distribution, selling and promotional expenses		(1,163,197,416)	(965,547,411)	(410,364,405)	(301,801,423)
Administrative and general expenses		(207,817,655)	(183,338,749)	(67,412,352)	(68,799,856)
Research and development expenses		(2,592,605)	(2,715,041)	(775,762)	(1,088,987)
Other operating expenses		(66,408,646)	(54,544,225)	(21,462,737)	(16,205,439)
		(1,440,016,322)	(1,206,145,426)	(500,015,256)	(387,895,705)
Operating Profit		656,357,292	572,962,439	198,634,491	173,217,059
Other income		24,295,707	10,305,579	10,564,725	1,898,897
		680,652,999	583,268,018	209,199,216	175,115,956
Finance costs		(3,935,667)	(4,167,633)	(1,562,798)	(896,627)
Profit before taxation		676,717,332	579,100,385	207,636,418	174,219,329
Taxation		(222,999,301)	(187,102,262)	(61,971,271)	(53,127,267)
Profit for the period		453,718,031	391,998,123	145,665,147	121,092,062
Profit/(Loss after tax attributable to:					
Shareholders of the Parent		453,718,031	392,365,154	145,665,147	121,092,062
Non Controlling Interest		-	(367,031)	-	-
		453,718,031	391,998,123	145,665,147	121,092,062
			Restated		Restated
Earnings per share - basic and diluted		17.76	15.35	5.70	4.74

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the nine months ended 30 September 2017

	30 September 2017	30 September 2016
	--------- (Rupees) ---------	
Profit for the period	453,718,031	391,998,123
Other comprehensive (loss) / income:		
Items to be reclassified to profit and loss in subsequent periods:		
Net unrealized gain on available for sale investments	-	-
Total comprehensive income for the period	453,718,031	391,998,123

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 13 form an integral part of this condensed interim financial information.

DR. ADEEL ABBAS
CHIEF EXECUTIVE OFFICER

ANEES AHMAD KHAN
DIRECTOR

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
For the nine months ended 30 September 2017

	Nine Months Ended 30 September	
	2017	2016
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	676,717,332	579,100,385
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	60,583,075	62,339,562
Amortization of intangible assets	12,619,142	12,505,651
Gain on disposal of property, plant and equipment	(7,950,837)	(3,254,468)
Exchange loss	7,422,993	5,052,305
Provision for slow moving and obsolete items	4,529,998	9,752,122
Provision for defined benefit obligation	33,277,302	32,377,221
Finance costs	3,935,667	4,160,600
	114,417,340	122,932,993
Profit before working capital changes	791,134,672	702,033,378
Effect on cash flow due to working capital changes :		
(Increase)/decrease in current assets:		
Stock in trade	(102,529,475)	(65,286,559)
Trade debts	(170,081,751)	12,303,556
Advances	(50,427,617)	24,132,396
Trade deposits and short term prepayments	(9,639,592)	(544,276)
Profit accrued	(1,632,699)	82,871
Other receivables	(942,992)	661,808
Tax refund due from government	4,385,043	(24,202)
Increase/(decrease) in current liabilities:		
Trade and other payables	(82,255,983)	(3,766,087)
	(413,125,066)	(32,440,493)
Cash flows generated from operations	378,009,606	669,592,885
Taxes paid	(214,196,895)	(124,172,680)
Gratuity paid	(11,701,223)	(7,446,190)
Finance costs paid	(1,747,507)	(1,746,699)
Long term advances received - net	13,749,957	15,914,921
Net cash flow generated from operating activities	164,113,938	552,142,237

	Nine Months Ended 30 September	
	2017	2016
	---------- (Rupees) ----------	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(124,581,880)	(118,427,789)
Long term deposits - net	(741,300)	(1,622,700)
Proceeds from disposal of property, plant and equipment	19,612,846	8,419,206
Net cash flow used in investing activities	(105,710,334)	(111,631,283)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities - net	(22,814,583)	(20,168,152)
Acquisition of shares of Non-controling interest	-	(11,077,000)
Increase in short term borrowings - net	18,497,721	-
Dividend paid	(177,314,220)	(145,366,780)
Net cash flow used in financing activities	(181,631,082)	(176,611,932)
Net (decrease) / increase in cash and cash equivalents	(123,227,478)	263,899,022
Cash and cash equivalents at beginning of the period	750,292,799	377,568,926
Cash and cash equivalents at end of the period	627,065,321	641,467,948

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the nine months ended 30 September 2017

	Share Capital	Revenue reserves			Non Controling Interest	Total
		General reserve	Unappropri-ated profit	Sub total		
Balance as at 01 January 2016	203,621,790	114,000,000	905,311,581	1,019,311,581	10,439,622	1,233,372,993
Profit for the period ended 30 September 2016	-	-	392,365,154	392,365,154	(367,031)	391,998,123
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period ended September 2016	-	-	392,365,154	392,365,154	(367,031)	391,998,123
Acquisition of Non-controling interest	-	-	(1,004,409)	(1,004,409)	(10,072,591)	(11,077,000)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	5,085,479	5,085,479	-	5,085,479
Issuance of bonus shares @ 12% for the year ended 31 December 2015	24,434,610	-	(24,434,610)	(24,434,610)	-	-
Final dividend @ Rs. 7.50 per share for the year ended 31 December 2015	-	-	(152,716,343)	(152,716,343)	-	(152,716,343)
Balance as at 30 September 2016	228,056,400	114,000,000	1,124,606,852	1,238,606,852	-	1,466,663,252
Balance as at 01 January 2017	228,056,400	114,000,000	1,249,429,484	1,363,429,484	-	1,591,485,884
Profit for the period ended 30 September 2017	-	-	453,718,031	453,718,031	-	453,718,031
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period ended September 2017	-	-	453,718,031	453,718,031	-	453,718,031
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	4,456,203	4,456,203	-	4,456,203
Issuance of bonus shares @ 12% for the year ended 31 December 2016	27,366,760	-	(27,366,760)	(27,366,760)	-	-
Final dividend @ Rs. 8.50 per share for the year ended 31 December 2016	-	-	(193,847,940)	(193,847,940)	-	(193,847,940)
Balance as at 30 September 2017	255,423,160	114,000,000	1,486,389,008	1,600,389,018	-	1,855,812,178

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

JAVED HUSSAIN
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
For the nine months ended 30 September 2017

1 THE GROUP AND ITS OPERATIONS

The Highnoon Group ("the Group") comprises of Highnoon Laboratories Limited ("HNL") ("the Holding Company") and Curexa Health (Private) Ltd (formaly Procef Laboratories (Private) Limited) (formerly Biocef (Private) Limited) ("CXH")("the Subsidiary Company").

The Holding Company was incorporated as a private limited company in Pakistan in year 1984 and converted into an unquoted public limited company in 1985. Its shares are quoted on Pakistan Stock Exchange since November 1994. Holding company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products. The registered office of HNL is situated at 17.5 Km, Multan Road, Lahore.

The Subsidiary Company was incorporated on 10 June 2015 as a private limited company. The registered office of CXH is situated at 17.5 KM Multan Road, Lahore. 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, herb salts, acids, alkalis, chemical and surgical material, instruments and appliances patent and proprietary articles. It owns Greenfield pharmaceuticals project that envisages production of cephalosporin drugs.

HNL acquired 80% shares of CXH in September 2015 and it became subsidiary company of HNL. Subsequently HNL also acquired right shares of CXH and it shareholding increased to 88%. In May 2016. The Holding Company has further acquired 1,107,700 shares at par value of Rs.10 per share as a result of which CXH became wholly owned subsidiary of HNL.

2 STATEMENT OF COMPLIANCE

2.1 During the year, the Companies Act 2017 (the Act) has been effective from 30 May 2017. However, Securities and Exchange Commission of Pakistan vide its circular no.17 of 2017 dated July 20, 2017 communicated that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, these condensed interim consolidated financial information of the Group for the nine months period ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance,1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

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 These condensed interim consolidated financial information of the Group for the nine months period ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance,1984.

3.2 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 Group's annual financial statements as at 31 December 2016.

4 ACCOUNTING POLICIES

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 consolidated financial statements of the Group for the year ended 31 December 2016 except as follows:

The Group has adopted the following standards and amendment to IFRSs which became effective for the current period:

IFRS 7 - Financial Instruments: Disclosures - Disclosure Initiative - (Amendment) IAS 12 –Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

5 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, incomes 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 consolidated financial statements for the year ended 31 December 2016.

6 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 2017	Audited 31 December 2016
		(Rupees)	
Raw materials		218,143,832	137,935,968
Packing materials		16,984,613	14,018,692
Finished goods		36,496,751	13,075,056
Plant and machinery		1,896,425	902,781
		273,521,621	165,932,497
Rentals under ijara agreements:			
Not later than one year		27,230,923	30,755,447
Later than one year but not later than five years		13,622,850	22,086,957
		40,853,773	52,842,404

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets:			
owned assets	7.1	722,704,225	725,649,060
leased assets	7.2	52,323,653	51,401,091
		775,027,878	777,050,151
Capital work in progress		246,123,201	177,551,942
		1,021,151,079	954,602,093

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		(Rupees)	
7.1 Operating fixed assets (owned)			
Opening book value		725,649,060	708,136,848
Add: Additions during the period / year - cost	7.1.1	56,748,100	34,484,586
Transferred from leased assets during the period / year - vehicles		3,564,338	20,085,578
		60,312,438	54,570,164
Less: Deletions during the period / year	7.1.2	11,662,009	15,880,157
Depreciation during the period / year		51,595,265	69,275,168
Adjustment during the period / year		-	1,476,716
		63,257,274	86,632,041
Book value at the end of the period / year		722,704,225	725,649,060
7.1.1 Additions during the period / year - cost			
Plant and machinery		11,102,301	5,318,083
Laboratory equipment		585,500	7,706,781
Furniture and fixtures		660,780	375,831
Electric and gas appliances		924,590	2,337,199
Office equipment		1,523,889	2,023,203
Vehicle		41,951,040	16,723,489
		56,748,100	34,484,586
7.1.2 Deletions during the period / year			
Plant and machinery		185,348	179,212
Office equipment		67,345	611,712
Vehicles		11,409,316	15,089,233
		11,662,009	15,880,157
7.2 Operating fixed assets (leased - vehicles)			
Opening book value		51,401,091	55,747,159
Add: Additions during the period / year - cost		13,474,709	26,884,500
Adjustment during the period / year		-	1,476,716
		13,474,709	28,361,216
Less: Transfers to owned assets during the period / year		3,564,338	20,085,578
Depreciation during the period / year		8,987,809	12,621,706
		12,552,147	32,707,284
Book value at the end of the period / year		52,323,653	51,401,091

	Note	Un Audited 30 September 2017	Audited 31 December 2016
		(Rupees)	
8. STOCK IN TRADE			
Raw materials			
In hand		530,132,380	445,923,691
In transit		77,108,320	66,638,762
With third party		6,808,537	9,631,538
		614,049,237	522,193,991
Packing material			
In hand		148,912,399	150,436,820
In transit		4,591,688	18,285,690
With third party		5,124,206	3,774,757
		158,628,293	172,497,267
Work in process		69,899,946	51,610,441
Finished goods			
In hand		249,728,770	247,732,321
In transit		-	14,286,853
		249,728,770	262,019,174
Less: provision for slow moving and obsolete items	(8.1)	(1,669,026)	(15,683,130)
		1,090,637,220	992,637,743

8.1 Provision for slow moving and obsolete items

Opening provision	15,683,130	11,083,975
Charge for the year	4,529,998	12,168,711
Written off during the year	(18,544,102)	(7,569,556)
Closing provision	1,669,026	15,683,130

	Un Audited			
	Nine Month Period Ended 30 September		Three Month Period Ended 30 September	
	2017	2016	2017	2016
9. SALES - net	(Rupees)			
Manufactured products				
Local	4,122,525,878	3,544,171,457	1,381,565,815	1,162,285,621
Export	305,602,407	201,453,620	109,133,618	75,527,960
	4,428,128,285	3,745,625,077	1,490,699,433	1,237,813,581
Purchased products - local	80,609,200	76,158,439	15,742,119	23,181,564
Third party	210,025,754	285,590,262	81,339,610	62,388,681
	4,718,763,239	4,107,373,778	1,587,781,162	1,323,383,826
Less: Discount	397,751,536	356,596,378	132,499,037	116,092,245
Sales tax	9,510,575	11,471,852	1,618,912	2,713,460
	407,262,111	368,068,230	134,117,949	118,805,705
	4,311,501,128	3,739,305,548	1,453,663,213	1,204,578,121

	Un Audited			
	Nine Month Period Ended		Three Month Period Ended	
	30 September		30 September	
	2017	2016	2017	2016

10. COST OF SALES

Opening stock of finished goods (excluding purchased products)	225,020,552	190,760,824	198,783,666	173,950,196
Cost of goods manufactured	2,138,705,833	1,876,816,692	746,382,737	611,616,473
	2,363,726,385	2,067,577,516	945,166,403	785,566,669
Closing stock of finished goods (excluding purchased products)	(198,786,143)	(158,135,399)	(198,786,143)	(158,135,399)
Cost of sales - manufactured	2,164,940,242	1,909,442,117	746,380,260	627,431,270
Cost of sales - purchased products	50,187,272	50,755,566	8,633,206	16,034,087
	2,215,127,514	1,960,197,683	755,013,466	643,465,357

11. 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:

	Un Audited			
	Nine Month Period Ended		Three Month Period Ended	
	30 September		30 September	
	2017	2016	2017	2016
11.1 Sales of goods				
Associated company	166,444,162	212,662,253	52,867,674	63,811,577
11.2 Purchase of goods				
Associated company	178,672,149	161,560,666	93,168,105	38,955,408
11.3 Contribution towards employees' benefits fund:				
Staff provident fund	19,090,104	15,547,640	6,510,531	5,359,970
Employees' welfare trust	1,844,561	1,323,450	618,064	452,950
11.4 Remuneration				
Chief Executive Officer	11,442,708	8,315,277	4,541,728	3,179,795
Directors	16,265,241	21,421,983	5,860,837	8,940,567
Executives	225,292,667	180,504,605	85,055,398	65,680,330

	Un Audited 30 September 2017	Audited 31 December 2016
	(Rupees)	

11.5 The outstanding balances of such parties are as under:

Relationship with the Company	Nature of balance		
Associated company	Creditors	970,970	2,083,998
Staff provident fund	Contribution payable	4,473,681	4,130,226
Employees' welfare trust	Contribution payable	415,876	361,509
Associated company	Advances	1,259,088	

12. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Holding Company authorized this condensed interim consolidated financial information for issuance on 21 October 2017.

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 unless otherwise specified.

DR. ADEEL ABBAS	ANEES AHMAD KHAN	JAVED HUSSAIN
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

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