

**Enriching
Life**

2024

Enriching Life

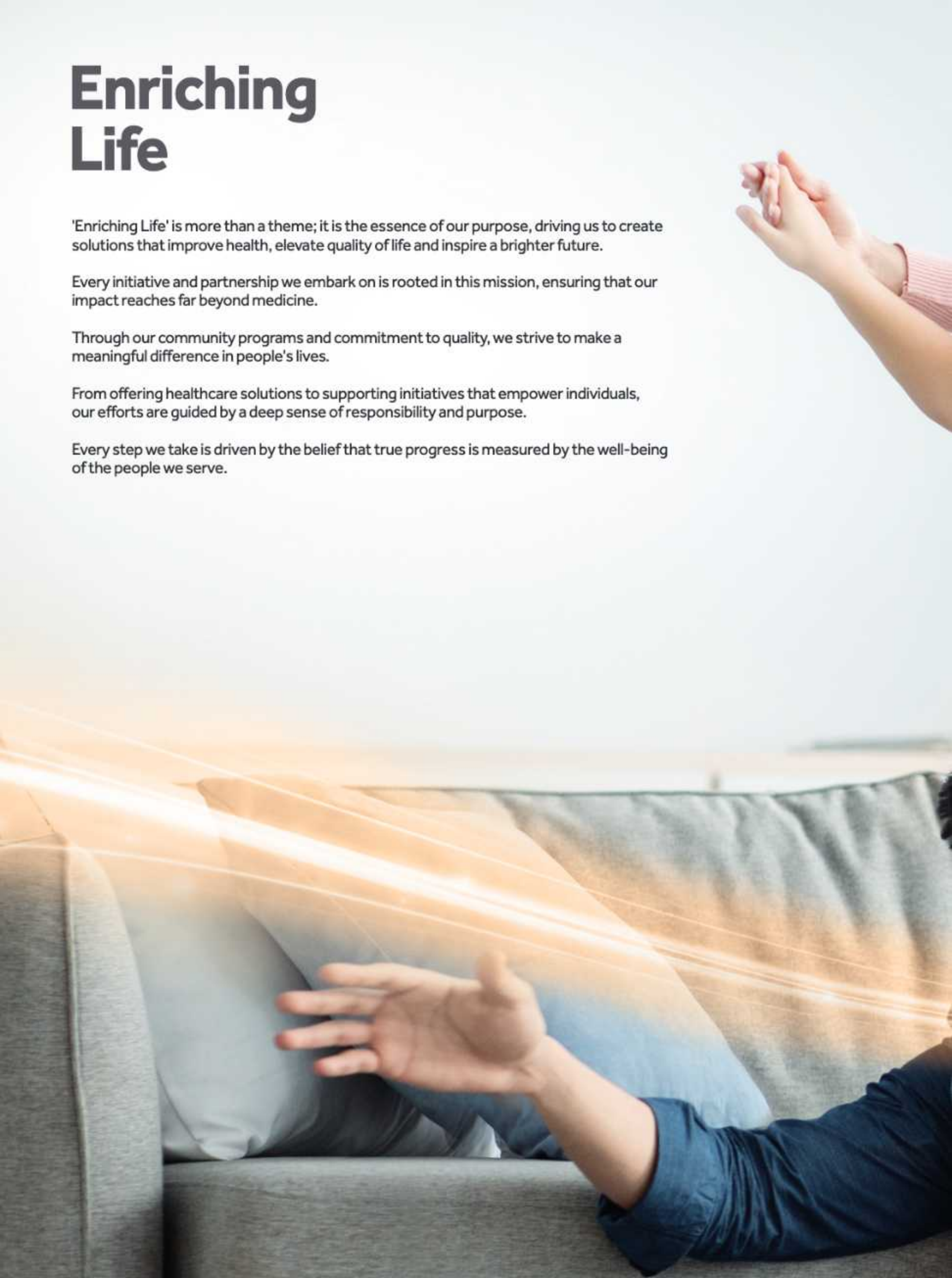
'Enriching Life' is more than a theme; it is the essence of our purpose, driving us to create solutions that improve health, elevate quality of life and inspire a brighter future.

Every initiative and partnership we embark on is rooted in this mission, ensuring that our impact reaches far beyond medicine.

Through our community programs and commitment to quality, we strive to make a meaningful difference in people's lives.

From offering healthcare solutions to supporting initiatives that empower individuals, our efforts are guided by a deep sense of responsibility and purpose.

Every step we take is driven by the belief that true progress is measured by the well-being of the people we serve.







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Our Credo

Our purpose – enriching life – inspires us and guides us to consistently deliver quality products. We enrich life by providing innovative disease management solutions.

Our responsibility is to the healthcare providers and to the patients who trust our products. We meet the expectations, and to do so, we employ the best people and invest in their continuous development; we raise our standards and challenge ourselves; we improve our processes, and we adapt new technologies.

Our purpose to enrich life requires us to expand our offering and our reach. We are committed to deepen and widen our portfolios and maximise our coverage. We seek to balance patient welfare with our financial output. We keep our costs low to reduce the disease burden on the patient and generate adequate profits for our long-term viability.

Tausif Ahmad Khan

Tausif Ahmad Khan
Chairman

Our Core Values

- ▶ Reliability
- ▶ Integrity
- ▶ Courage
- ▶ Customer Focus
- ▶ Compassion
- ▶ Perseverance

Our Aspiring Values

- ▶ Innovation
- ▶ Passion



Transforming Visions into Reality

Through dedication, innovation and unwavering commitment, we have transformed bold visions into tangible realities. Our achievements stand as a testament to our relentless pursuit of excellence, guiding us towards a future filled with promise and possibility.



Enriching Life with Fawad Khan

At **Highnoon**, success isn't just about career milestones—it's about living a fulfilling life. To reinforce this, we launched an inspiring campaign featuring **Fawad Khan**, encouraging individuals to set wellness goals alongside professional ambitions.

The campaign garnered over

6 million views & 12 million impressions

sparking meaningful conversations about prioritizing well-being.



Highnoon
Enriching Life

PESA Award

For the **second consecutive year**, Highnoon has been honoured with the **Pharma Export Award** at the 7th Pharma Export Summit and Awards (**PESA 2024**).

The award, presented by Yousuf Raza Gillani, Chairman of the Senate of Pakistan, recognized our significant contributions to boosting pharmaceutical exports and enhancing Pakistan's global footprint.

This accolade reaffirms our unwavering focus on growth and our core mission of improving and enriching lives.



Celebrated 1 Billion Mark

A moment of pride for Highnoon as our products achieved the 1 billion mark. This incredible milestone reflects the trust of healthcare professionals and patients in our commitment to excellence.



Highnoon Partners with IFC to Drive Digital Transformation

In a bold step towards redefining the future of healthcare, Highnoon has collaborated with the International Finance Corporation (IFC), and kicked off this partnership with a groundbreaking Digital Transformation Goal-Setting Workshop.

This initiative aligns seamlessly with Highnoon's broader mission to enrich lives, delivering better healthcare outcomes for patients and stakeholders alike. By integrating technology into its DNA, Highnoon is not just keeping pace with global advancements but solidifying its position as a forward-thinking leader in the pharmaceutical industry.



Expanding Access to Quality Healthcare

Highnoon continues to advance its mission with the launch of **15+ high-quality products** across key therapeutic areas. Committed to excellence, we prioritize rigorous standards to ensure effective disease management solutions that improve patient outcomes. Through innovation and quality, we empower healthier lives and drive progress in healthcare.



Highnoon Officially Becomes ICAP's Approved Training Organization Outside Practice (TOoP)



Highnoon has been recognized as an ICAP-approved Training Organization Outside Practice, reinforcing our commitment to talent development and professional growth.

This milestone enables us to provide CA trainee students with hands-on experience in the pharmaceutical industry, equipping them with the skills to excel in their careers.

Expanding Horizons: Highnoon Launches in Somalia

Highnoon has officially launched in Somalia. This milestone was achieved through partnerships with leading healthcare professionals and renowned medical societies.

By combining groundbreaking insights from BMJ and fostering impactful collaborations with SIMA and SSC, we are creating new opportunities for transformative healthcare. This initiative reflects our shared vision of building a healthier tomorrow. Together, we continue our mission of enriching life.



Expanding Healthcare Access Across Africa

Highnoon has collaborated with Dafra Pharma, a leading European pharmaceutical company to distribute quality products in 29 countries across Africa.

This partnership marks an important step towards improving healthcare access and advancing our shared mission to enrich lives worldwide.



Partnering with Exphar to Strengthen Global Reach

Highnoon signed an agreement with Exphar, Belgium, for the supply of products to 24 African markets under their brands.

This strategic partnership marked a significant step forward in our international expansion.

Additionally, Exphar expressed interest in manufacturing products at the Highnoon plant to support their future growth in European markets, particularly Belgium.



Empowering the Future of Healthcare

Through our seminars, workshops and training programs, we are committed to enhancing the quality of care provided to patients. By working alongside healthcare professionals, we foster a culture of continuous learning and support.



Anticoagulant Academy Foreign Speaker Programs

Highnoon, in partnership with the Pakistan Society of Internal Medicine, hosted impactful Anticoagulant Academy Foreign Speaker Programs in Lahore and Islamabad. Drawing over 780 physicians from prominent institutes, the sessions were broadcasted on 6 satellite stations nationwide.



Nebix Lifestyle – Active Heart

Highnoon, in collaboration with the **Pakistan Cardiac Society** (Karachi Chapter), organized Nebix Lifestyle – Active Heart at Port Grand, Karachi, promoting heart health through an active lifestyle. The event featured an early morning yoga session, cycling and fitness activities, with 45 renowned cardiologists participating. It reinforced the importance of staying active for overall well-being.

 **Nebix®**
lifestyle

 **ACTIVE**
Heart



Hyper-Line: Advancing Medical Excellence

In collaboration with the Aga Khan University, Highnoon launched Hyper-Line to enhance the skills of healthcare practitioners for better patient care. With over 4,500 doctors enrolled, this initiative focuses on capacity building and continuous professional development, fostering a healthier society.



International Diabetes Excellence Academy

In its continued dedication to improving Pakistan's healthcare sector, Highnoon hosted IDEA 24 - International Diabetes Excellence Academy. This certified course, supported by Weill Cornell Medicine Qatar, International Society of Endocrinology (ISE) and Pakistan Endocrine Society (PES), brought together respected national and international faculty members. Their combined expertise shed light on advanced strategies in diabetes management, providing healthcare professionals with valuable insights.

Creating a Healthier Tomorrow

Our commitment to public wellness shines through our initiatives. We spread the vital messages of healthy living and proactive healthcare. By educating and empowering communities, we strive to foster a culture of well-being.



World Diabetes Day



For World Diabetes Day, we once again went big. With the renowned Pakistani artist **Sanam Saeed** as the face of our campaign, we launched a massive social media campaign to educate and inspire action against diabetes. Alongside her, leading doctors shared insightful video messages, providing expert advice on prevention, management and the importance of a healthy lifestyle.



world diabetes day
14 November

World Thalassaemia Day

On World Thalassaemia Day, **Highnoon**, in collaboration with the **Pakistan Red Crescent Society**, organized a blood donation drive at its office and **JTK Thalassaemia Centre**. The overwhelming response highlighted our collective dedication to supporting those in need.



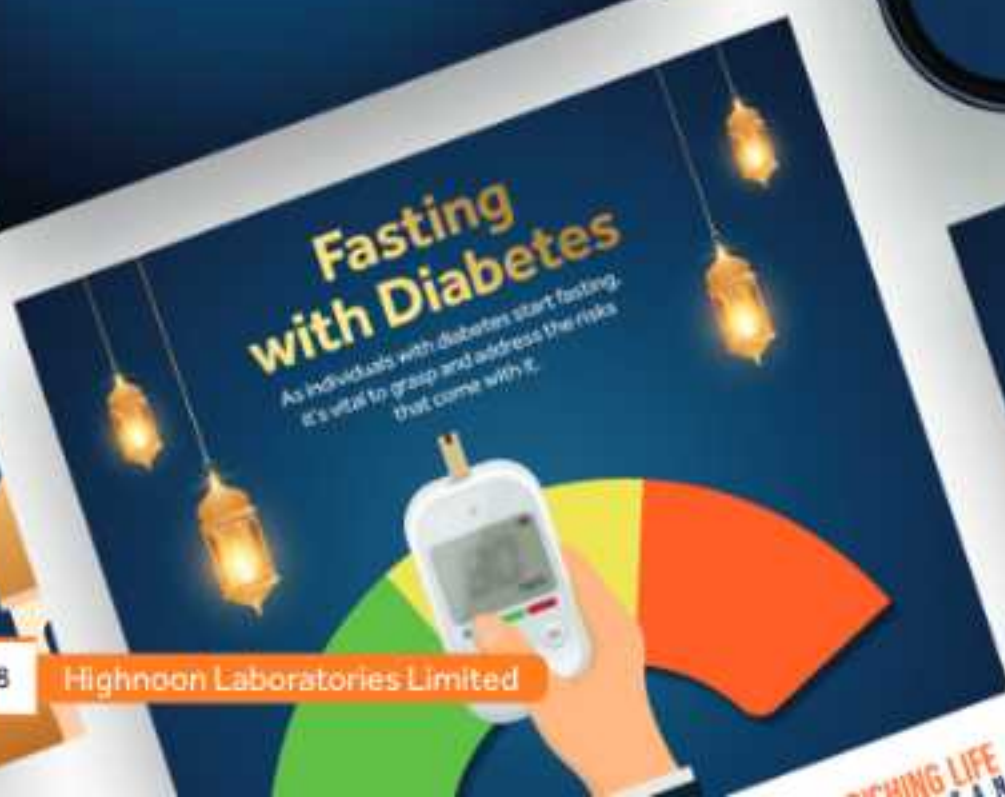
RespiTalks: Podcast Series

Our podcast series, RespiTalks, brought expert pulmonologists to discuss key aspects of respiratory health and overall well-being. Designed to educate and inform, RespiTalks explored crucial topics such as lung care, disease prevention and the latest advancements in pulmonology. Through insightful conversations with medical experts, we aimed to empower listeners with valuable knowledge, helping them make informed health decisions.



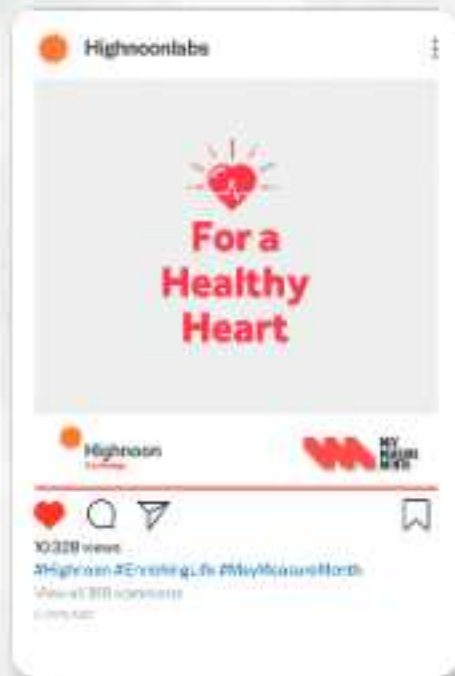
Enriching Life in Ramzan

During Ramzan, we launched a dedicated social media campaign to educate people with diabetes on managing their health while fulfilling their religious obligations. Through informative posts and expert-led videos, we shared essential tips to help individuals fast safely, avoid complications and prioritize their well-being.



May Measure Month

As the official partner of May Measure Month, Highnoon once again launched a nationwide campaign dedicated to cardiovascular health. We organized free screening camps across Pakistan, where individuals had their blood pressure checked to promote early detection and prevention of hypertension. Alongside the on-ground efforts, we also ran a comprehensive digital campaign to raise awareness about cardiovascular health.



World Heart Day

For World Heart Day, we leveraged social media to promote a healthier lifestyle. We shared informative content and expert insights to inspire positive health choices. Our efforts to promote heart health were acknowledged by the **World Heart Federation**, reinforcing our commitment to global heart health advocacy.



Antimicrobial Resistance Week

Under the **Keep Antibiotics Working** initiative, we raised awareness about the dangers of medication misuse and overuse. Further more, Highnoon partnered with PKLI, MMIDSP and PSIM to host sessions on responsible antimicrobial use, engaging over 180 healthcare professionals to foster awareness and strengthen efforts against antimicrobial resistance.



GERD Awareness Week

During GERD Awareness Week, Highnoon Gastroenterology launched the 'Enriching Gut Health' campaign. In collaboration with over 50 institutes and key opinion leaders nationwide, we promoted awareness and encouraged healthier lifestyle choices.



Mental Health Week

On World Mental Health Day, we reaffirmed our commitment to mental well-being by raising awareness and fostering open conversations.

Mental Health is for Everyone

What's one thing you wish people knew about mental health?



It's okay to ask for help



Self-care is not selfish



Mental health ≠ weakness



Everyone's journey is different

Let's break the stigma and talk openly about mental health!

World Hepatitis Day



We launched a social media campaign to raise awareness about hepatitis prevention. We urged people to get tested and vaccinated. Through impactful messaging, we encouraged proactive health measures. Our efforts gained global recognition as the **World Hepatitis Alliance** reshared our post on their social media page, acknowledging our efforts to fight against hepatitis.

It's time to **take action**



**HEP
CAN'T
WAIT!**

Connecting for a Healthier Future

We believe collaboration drives progress. Through industry events, partnerships and knowledge-sharing, we connected for a healthier future. By fostering innovation, engaging with experts and employees, we continue to make a meaningful impact.



Pakistan Single Country Exhibition – Uzbekistan

Highnoon proudly represented Pakistan at the Pakistan Single Country Exhibition in Tashkent, showcasing our high-quality pharmaceutical products. The event provided a key platform to strengthen connections in the local market and reinforce Pakistan's presence in the global pharmaceutical landscape. Our participation highlighted Highnoon's commitment to expanding international reach and driving pharmaceutical exports.



Highnoon at Pak Pharma Expo 2024

Highnoon proudly sponsored Pak Pharma Expo 2024. The event provided a dynamic platform to showcase our diverse product portfolio to industry professionals. Our stall garnered significant attention, reinforcing our commitment to innovation and the advancement of the pharmaceutical sector.



Business Aspiration 2024

As we wrapped up Quarter 1, Business Aspiration 2024 brought together reflection, strategy and ambition to shape our future. The event served as a platform to align our vision, reinforce goals and set the momentum for the year ahead.





The **MarkInnova25** event in Antalya was a defining moment for Highnoon, bringing together our teams to shape a transformative marketing strategy for 2025 and beyond. Through collaboration, creativity and a shared vision, we mapped out an ambitious path forward, fueled by collective energy and purpose. The event was more than just a strategy session—it was an inspiration to push boundaries and redefine possibilities for the future.



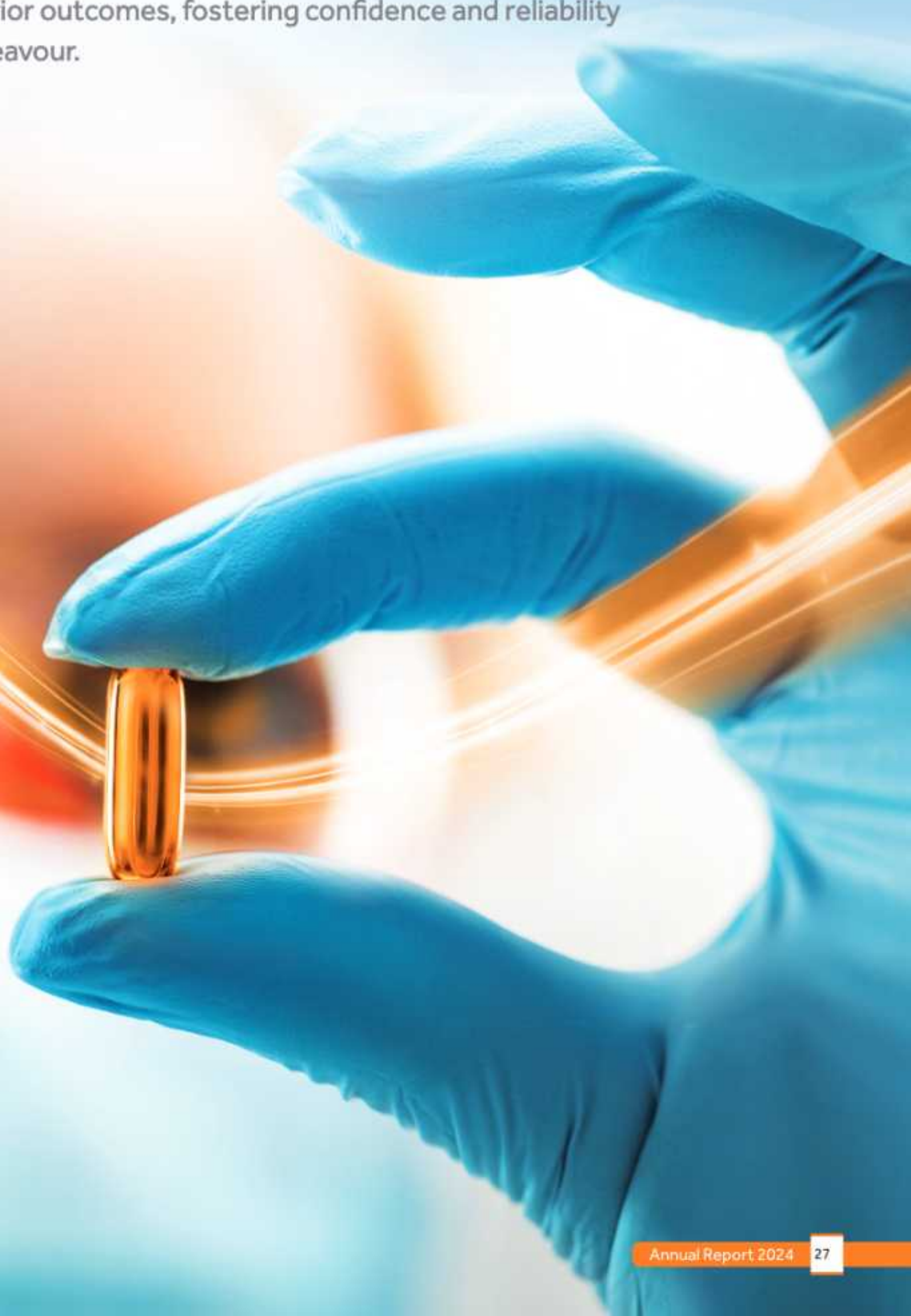
Annual Operating Plan

The three-day AOP workshop focused on reviewing achievements, addressing challenges and refining strategies for future success. It reinforced a culture of continuous improvement, innovation and teamwork through engaging team-building activities, ensuring alignment and collaboration as we move forward with renewed focus and a shared vision for growth.



Building Trust Through **Precision**

By ensuring every detail is meticulously attended to and every standard rigorously upheld, we build trust through precision. Our dedication to excellence guarantees that we consistently deliver superior outcomes, fostering confidence and reliability in every endeavour.



Major Revamp Projects

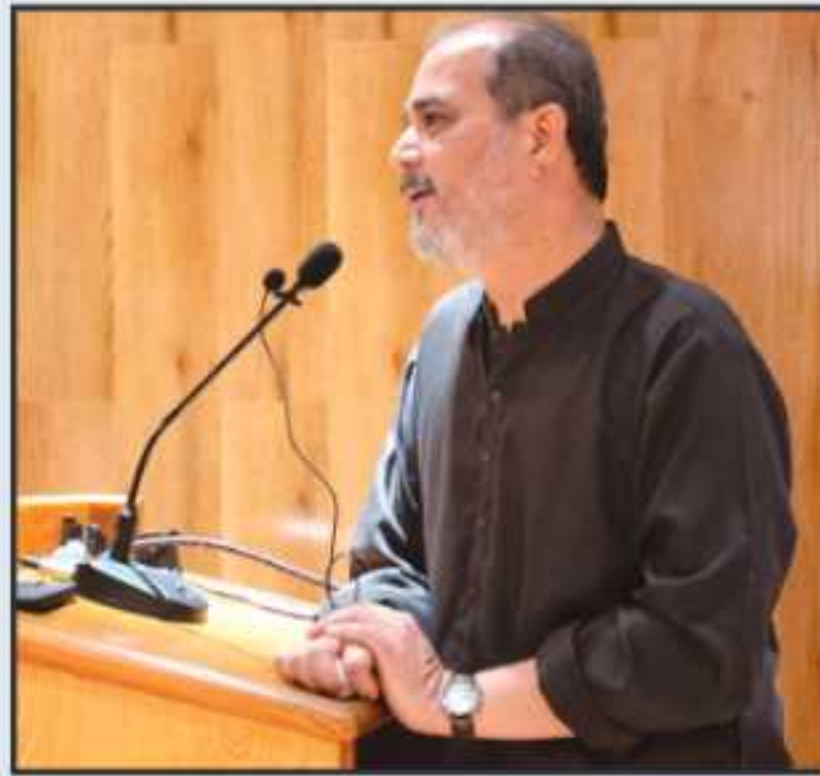
Our commitment to staying ahead means investing in the latest technology and best practices. Because for us, progress is not just an option; it's a promise.



Building a Thriving Workplace

At the heart of our success lies a deep commitment to our people. By nurturing talent, promoting well-being and fostering a culture of continuous growth, we empower our employees to achieve excellence. Their dedication and passion are the driving forces behind our collective progress and innovation.





**We celebrated
special occasions
with unity and
appreciation.**



Training and Development

Our training programs ensure a skilled, knowledgeable team, always ready to innovate and uphold excellence in everything they do.



- EHS Workshop
- Lead with Intent
- Train the Trainer

- Situational Leadership Training
- Critical Thinking Training
- The Art of Effective Communication

- Organizational Development
- JE Workshop
- Quality Culture Workshop

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Financial Highlights



FINANCIAL HIGHLIGHTS

Sales

Increased by

19.4%

2024: Rs. 23.20 billion
2023: Rs. 19.42 billion



Earnings Per Share

Increased by

35.4%

2024: Rs. 61.41
2023: Rs. 45.35

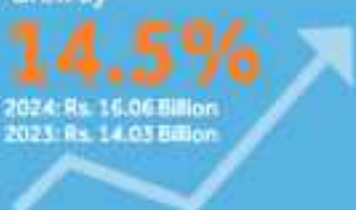


Total Assets

Grew by

14.5%

2024: Rs. 16.06 Billion
2023: Rs. 14.03 Billion



EBITDA

up by

50.4%

2022: Rs. 5.5 billion
2021: Rs. 3.7 billion



Profit After Tax

up by

35%

2024: Rs. 3.25 billion
2023: Rs. 2.4 billion



Equity

Increased by

17%

2024: Rs. 11.2 billion
2023: Rs. 9.6 billion



Gross Profit Margin

Increased by

29%

2024: Rs. 11.929 billion
2023: Rs. 9.254 billion



Break-up Value

Per Share Increased by

17%

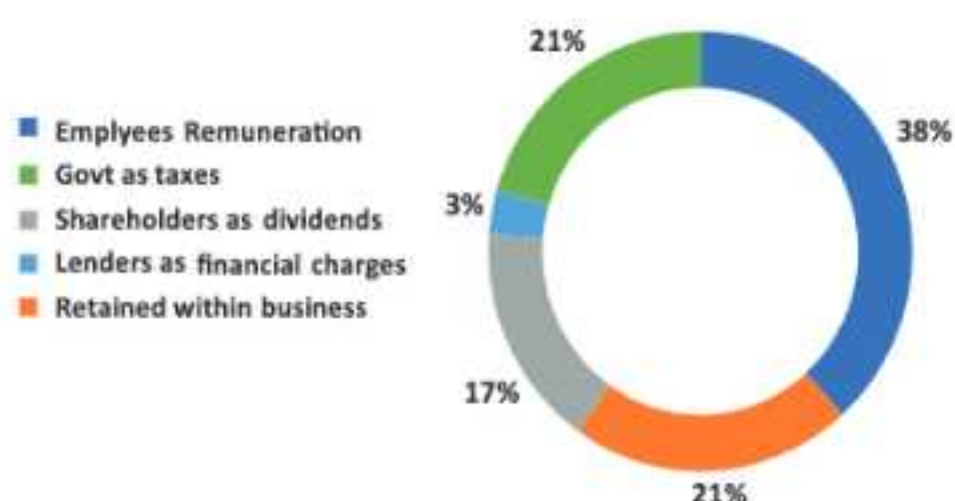
2024: Rs. 212
2023: Rs. 181



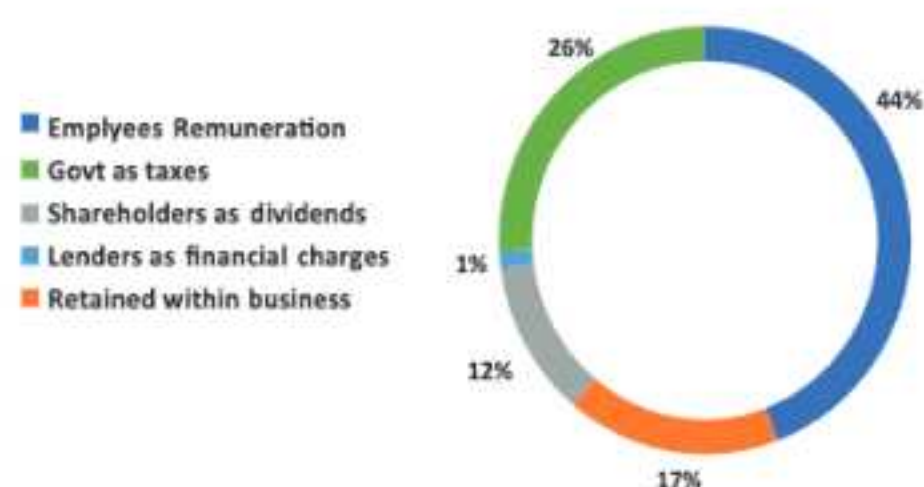
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2024 Rs. in 000	2023 Rs. in 000
Value Added		
Sales	23,195,152	19,424,255
Material & Services (COS+All Operating Cost Less Cost Explicitly Mentioned Below)	13,982,909	12,592,472
Other Income	432,259	185,459
	9,644,502	7,017,242
Distribution		
Employees		
Salaries Wages & Benefits	3,441,351	2,929,577
Workers Profit Participation Fund	259,133	178,811
	3,700,484	3,108,388
Government		
Income Tax	1,585,958	899,571
Sales Tax	331,939	173,254
Central Research Fund	50,367	38,336
Workers Welfare Fund	84,067	63,655
	2,052,331	1,174,816
Society		
Donation(Admin Exp)	3,613	1,580
Provider of Finances		
To Shareholder as Cash dividend-(Last Year dividend payment)	1,589,501	837,682
To Banks as financial charges (Markup on LT,ST Loans & Bank Charges)	324,167	83,208
	1,913,668	920,890
Retained in Business		
Depreciation and amortization	310,406	246,236
Retained Profit	1,664,000	1,565,332
	1,974,406	1,811,568
	9,644,502	7,017,242

Year 2024



Year 2023



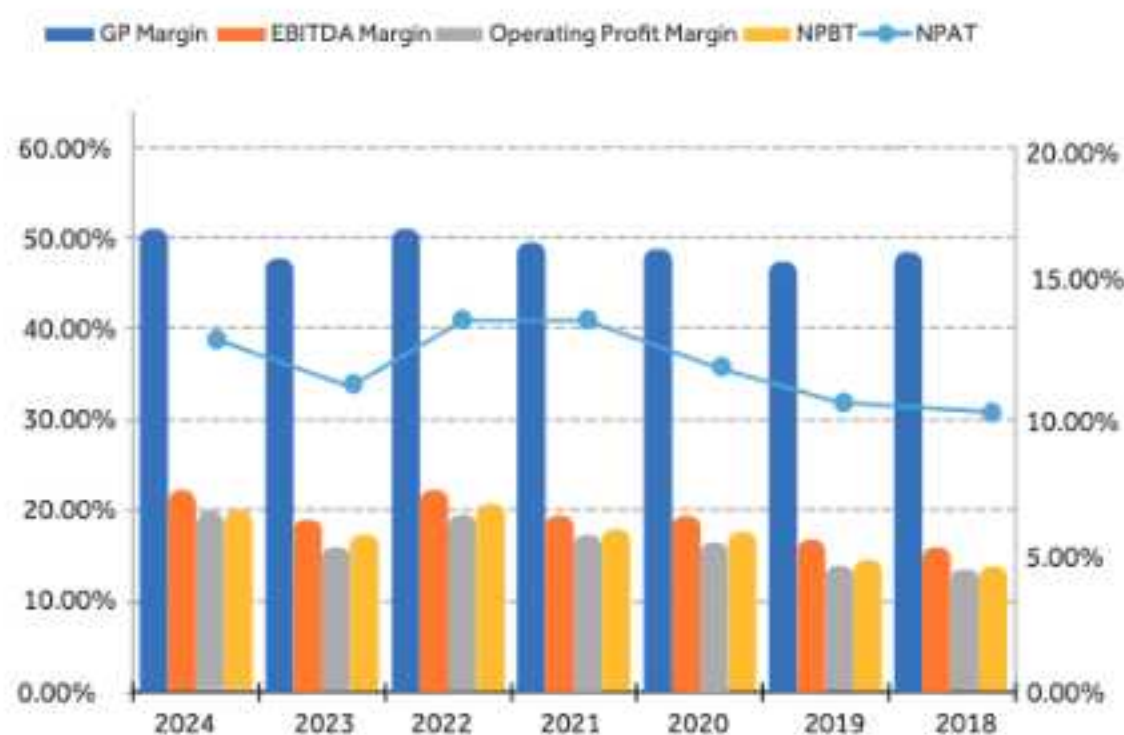
SIX YEARS AT A GLANCE

	2024	2023	2022	2021	2020	2019
	Rupees in ('000')					
Summary of Balance Sheet						
Share Capital	529,834	529,834	418,841	380,764	346,149	314,681
Reserves	10,691,332	9,066,866	7,026,396	5,381,858	4,140,050	3,126,880
Operating Fixed Assets	3,346,875	3,516,226	2,058,612	1,516,181	1,456,763	1,118,266
Non Current Assets	335,683	312,459	351,318	321,006	290,627	270,714
Current Assets	12,379,734	10,197,147	8,230,171	6,315,231	4,879,193	3,239,590
Current Liabilities	3,840,387	2,874,893	2,439,744	1,713,151	1,291,099	680,525
Net Working Capital	4,362,483	7,322,253	5,790,427	4,602,081	3,588,094	2,559,066
Non-current Liabilities	1,000,739	1,554,239	755,121	676,645	856,580	88,825
Summary of Profit and Loss Account						
Sales - Net	23,195,152	19,424,255	15,815,937	13,000,780	10,697,634	9,047,693
Gross Profit	11,929,615	9,254,464	8,030,084	6,415,593	5,121,176	4,161,593
Earning Before Interest, Tax, Depreciation (EBITDA)	5,543,758	3,685,295	3,589,462	2,538,619	2,076,388	1,483,477
Operating Profit	4,801,093	3,244,267	3,094,917	2,245,423	1,842,161	1,279,784
Profit Before Tax	4,839,459	3,302,585	3,345,504	2,372,144	1,921,732	1,341,086
Net Profit After Tax	3,253,501	2,403,014	2,417,172	1,808,033	1,420,736	971,012
Summary of Cash Flow Statement						
Net Cash Flow from Operating Activities	4,243,694	1,695,172	(487,186)	1,733,087	1,333,188	700,853
Net Cash Flow from Investing Activities	(1,286,848)	(1,268,840)	346,712	(1,033,416)	(1,290,307)	(162,583)
Net Cash Flow from Financing Acitivites	(2,288,082)	(208,707)	(851,462)	(712,080)	(79,321)	(459,350)
Changes in Cash and Cash Equivalents	668,763	217,624	(986,955)	(11,148)	(35,698)	78,920
Cash and Cash Equivalents at Year End	709,207	40,444	(174,947)	812,049	823,198	858,895
Financial Performance/Profitability Analysis						
Sales Growth	%	19.41%	22.81%	21.65%	21.53%	18.24%
Gross Profit Margin	%	51.43%	47.64%	50.77%	49.35%	47.87%
EBITDA to Sales Margin		23.90%	18.97%	22.70%	19.53%	19.41%
Operating Profit Margin	%	20.70%	16.70%	19.57%	17.27%	17.22%
Profit Before Tax Margin	%	20.86%	17.00%	21.15%	18.25%	17.96%
Profit After Tax Margin	%	14.03%	12.37%	15.28%	13.91%	13.28%
Return on Equity	%	28.99%	25.04%	32.47%	31.38%	31.67%
Return on Capital Employed	%	42.82%	30.84%	41.46%	37.40%	36.4%
Operating Performance/Liquidity Analysis						
Inventory Turnover	Days	143	169	140	123	128
Debtors Turnover	Days	35	32.4	23.4	14.3	12.2
Creditors Turnover	Days	76	64.9	62.9	51.5	41.8
Cash Operating Cycle	Days	102	136.1	104.7	85.3	97.9
Assets Turnover Ratio	Times	1.44	1.57	1.68	1.62	1.61
Return on Assets	%	20%	19%	26%	24%	21%
Current Ratio	Times	3.22	3.55	3.37	3.69	3.78
Quick Ratio	Times	2.15	1.91	1.80	2.33	2.15

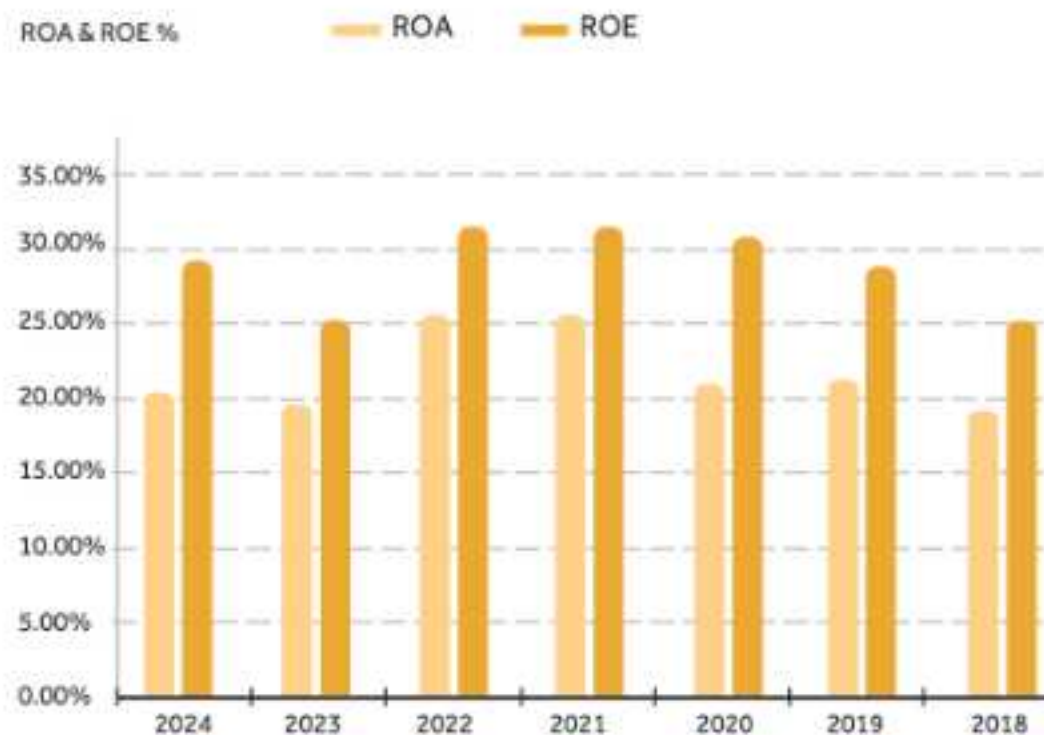
SIX YEARS AT A GLANCE

		2024	2023	2022	2021	2020	2019
Rupees in ('000')							
Distribution Analysis							
Pay out-Proposed							
Cash Dividend per share	Rs.	40	30	20	20	15	13
Bonus	%	-	15	10	10	10	10
Payout Ratio (after tax)	%	65.14	66.15	34.66	42.12	36.55	42.13
Dividend Yield	%	4.36	3.96	3.70	3.19	2.50	2.42
Earnings Per Share (after tax)	Rs./share	61.41	45.35	45.62	43.17	37.31	30.86
Price Earning Ratio	Times	14.95	11.13	9.36	14.52	16.05	17.41
Number of Shares	(in Millions)	52.98	52.98	41.88	38.08	34.61	31.47
Break-up Value of Share(Including surplus on Revaluation)	Rs.	211.79	181.13	177.76	151.34	129.60	109.37
Market Value of Share							
Year End	Rs.	918.22	504.6	540	627	599	537.26
Highest	Rs.	1,000.00	566.54	615	680	650	590
Lowest	Rs.	500	328.19	496.36	580	408	220
Market Capitalization	(in Millions)	48,650	26,735	22,617	23,874	20,734	16,907

Profitability Margins



Shareholders' Equity, Assets and Return



HORIZONTAL ANALYSIS

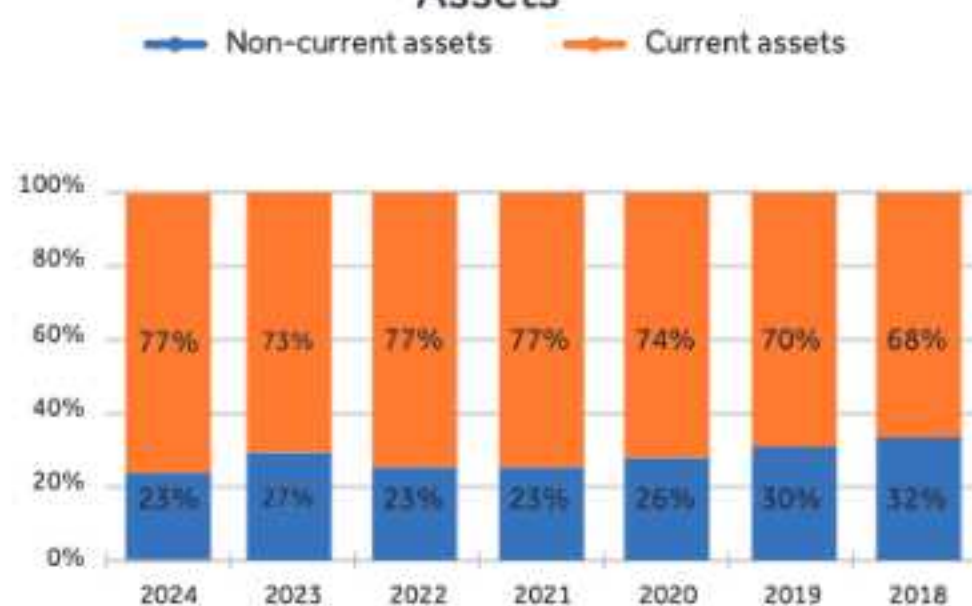
STATEMENT OF FINANCIAL POSITION

	2024		2023		2022		2021		2020		2019	
	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%
Summary of Balance Sheet												
Share Capital	529,834	0	529,834	26	418,841	10	380,764	10	346,149	10	314,681	10
Revenue Reserves	9,825,907	20	8,167,526	23	6,659,682	33	4,990,532	33.9	3,726,121	34.5	2,770,544	25.1
Surplus on Revaluation of fixed Assets	865,425	-4	899,339	145	366,714	-6	391,326	-5.5	413,929	16.2	356,336	-3.8
	11,221,166	17	9,596,699	29	7,445,236	29	5,762,622	28	4,486,199	30	3,441,561	20
Non Current Liabilities												
Long term loan - secured	318,820	-51	647,716	4095	15,439	0	-	-100	165,410	100	-	0
Long term lease liabilities	70,063	-73	255,017	39	183,934	54	119,758	-8	129,566	112	61,215	38
Long term advances	-	0	-	0	-	-100	10,240	-69	33,267	20	27,610	-37
Deferred Tax Liabilities	208,064	70	122,735	0	-	0	-	-	-	-	-	-
Deferred liabilities	403,793	-24	528,771	0	530,660	-3	546,646	3	528,330	26	417,662	12
Total Non Current Liabilities	1,000,739	-36	1,554,239	113	730,033	8	676,644	-21	856,573	69	506,487	9
Current Liabilities												
Trade & Other Payables	2,621,068	27	2,055,833	32	1,561,824	32	1,179,435	74	679,007	14	598,034	75
Unclaimed Dividend	210,194	52	138,561	40	98,853	54	64,337	45	44,471	46	30,556	51
Unpaid Dividend	-	-100	111,300	75	63,475	0	-	-	-	-	-	-
Provision for Taxation	-	0	-	-100	124,622	-39	205,243	-31	296,237	854	31,054	-18
Current Portion of Long Term Liabilities	196,306	-43	342,116	331	79,289	-66	230,887	19	194,533	836	20,779	-44
Contract Liabilities	62,819	-1	63,189	-13	72,264	117	33,249	-57	76,852	100	-	-
Short - term borrowings	750,000	358	163,894	-65	464,505	0	-	-	-	-	-	-
Total Current Liabilities	3,840,387	34	2,874,893	17	2,464,831	44	1,713,151		1,291,100		680,524	
	16,062,292	15	10,640,101	32	10,640,101	31	8,152,417	50	6,633,872	43	4,628,572	23
Non Current Assets												
Property, plant and equipments	3,346,875	-5	3,516,226	71	2,058,612	36	1,516,181	4	1,456,763	30	1,118,266	15
Intangible assets	46,867	45	32,286	-10	35,835	69	21,189	100	-	0	-	0
Long Term Investment	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Long Term deposits	24,917	4	23,943	-50	48,177	321	11,443	-47	21,443	1	21,183	51
Long Term advances	63,900	14	56,230	72	32,774	-6	34,787	-7	37,353	35	27,673	-6
Deferred tax asset	-	0	-	-100	34,531	-36	53,587	37	39,126	79	21,858	100
Total Non Current Assets	3,682,558	-4	3,828,685	59	2,409,930	31	1,837,187	5	1,754,685	26	1,388,980	14
Current Assets												
Stock In Trade	4,135,825	-12	4,713,751	23	3,835,095	66	2,315,936	10	2,106,011	18	1,790,211	32
Trade Recievables	2,311,740	9	2,120,419	59	1,330,337	92	694,687	115	322,554	-18	391,163	39
Advances, trade deposits and prepayments	535,985	-7	575,539	-41	971,808	165	366,761		467,924		182,943	
Other Recievables	148,511	21	122,545	287	31,698	18	26,860	-26	36,520	1016	3,273	-13
Loan to Subsidiary	-	-100	10,000	0	10,000	0	10,000	0	10,000	0	10,000	-50
Short Term Investment	3,638,851	68	2,168,794	62	1,338,887	-35	2,059,740	88	1,093,846	35106	3,107	-59
Tax Refunds due from Government	149,615	-47	281,760	-34	425,022	1356	29,197	53	19,135	100	-	0
Cash & Bank Balances	1,459,207	614	204,338	-29	287,324	-65	812,049	-1	823,197	-4	858,895	10
Total Current Assets	12,379,734	21	10,197,146	24	8,230,171	30	6,315,230	29	4,879,187	51	3,239,592	27
TOTAL Assets	16,062,292	15	14,025,831	32	10,640,100		8,152,417		6,633,872		4,628,572	

Equity and Liabilities



Assets



VERTICAL ANALYSIS

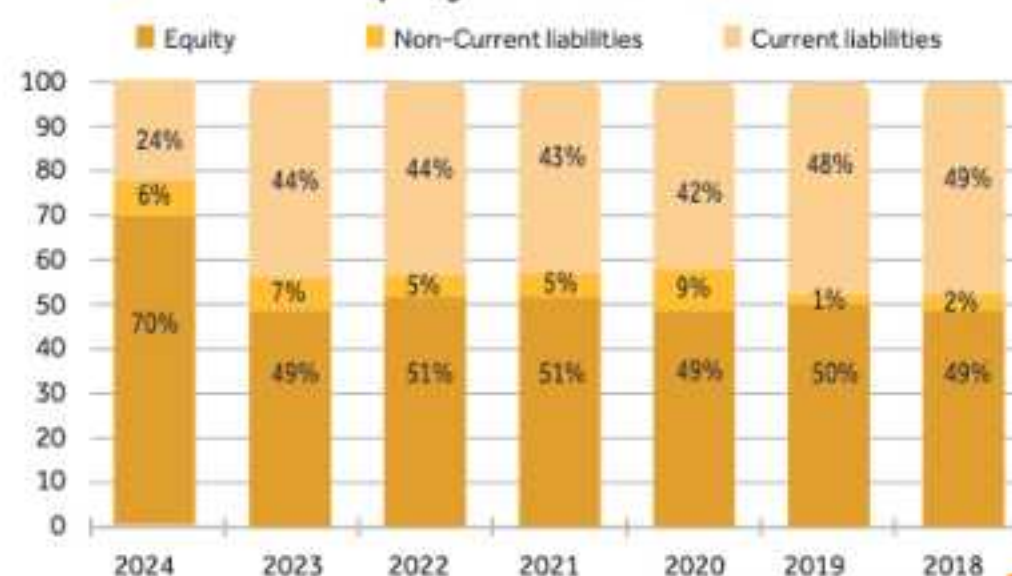
STATEMENT OF FINANCIAL POSITION

	2024		2023		2022		2021		2020		2019	
	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%
Share Capital	529,834	3.3	529,834	3.8	418,841	3.9	380,764	4.7	346,149	5.2	314,681	6.8
Revenue Reserves	9,825,907	61.2	8,167,526	58.2	6,659,682	62.6	4,990,532	61.2	3,726,121	56.2	2,770,544	59.9
Surplus on Revaluation of fixed Assets	865,425	5.4	899,339	6.4	366,714	3.4	391,326	4.8	413,929	6.2	356,336	7.7
	11,221,166	69.9	9,596,699	68.4	7,445,236	70.0	5,762,622	70.7	4,486,199	67.6	3,441,561	74.4
									5,342,779	80.5		
Non Current Liabilities												
Long term loan - secured	318,820	2.0	647,716	4.6	15,439	0.1	-	0.0	165,410	2.5	-	0.0
Long term lease liabilities	70,063	0.4	255,017	1.8	183,934	1.7	119,758	1.5	129,566	2.0	61,215	1.3
Long term advances	-	0.0	-	0.0	-	0.0	10,240	0.1	33,267	0.5	27,610	0.6
Deferred tax Liabilities	208,064	1.3	122,735	0.9	-	0.0	-	0.0	-	0.0	-	0.0
Deferred liabilities	403,793	2.5	528,771	3.8	530,660	5.0	546,646	6.7	528,338	8.0	417,662	9.0
Total Non Current Liabilities	1,000,739	6.2	1,554,239	11.1	730,033	7.1	676,644	8.3	856,580	12.9	506,487	10.9
Current Liabilities												
Trade & Other Payables	2,621,068	16.3	2,055,833	14.7	1,561,824	14.7	1,179,435	14.5	679,007	10.2	598,034	12.9
Unclaimed Dividend	210,194	1.3	138,561	1.0	98,853	0.9	64,337	0.8	44,471	0.7	30,556	0.7
Unpaid Dividend	-	0.0	111,300	0.8	63,475	0.6	-	0.0	-	0.0	-	0.0
Mark up Accrued	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	101	0.0
Provision for Taxation	-	0.0	-	0.0	124,622	1.2	205,243	2.5	296,237	4.5	31,054	0.7
Current Portion of Long Term Liabilities	196,306	1.2	342,116	2.4	79,289	0.7	230,887	2.8	194,533	2.9	20,779	0.4
Contract Liabilities	62,819	0.4	63,189	0.5	72,264	0.7	33,249	0.4	76,852	1.2	-	0.0
Short - term borrowings	750,000	4.7	163,894	1.2	464,505	4.4	-	0.0	-	0.0	-	0.0
Deferred Tax Liabilities	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Total Current Liabilities	3,840,387	23.9	2,874,893	20.5	2,464,831	23.2	1,713,151	21.0	1,291,100	19.5	680,524	14.7
Total Equity & Liabilities	16,062,292	100	14,025,831	100	10,640,101	100	8,152,417	100.0	6,633,879	100	4,628,572	100
Assets												
Property, plant and equipments	3,346,875	20.8	3,516,226	25.1	2,058,612	19.3	1,516,181	18.6	1,456,765	22.0	1,118,269	24.2
Intangible assets	46,867	0.3	32,286	0.2	35,835	0.3	21,189	0.3	-	0.0	-	0.0
Long Term Investment	200,000	1.2	200,000	1.4	200,000	1.9	200,000	2.5	200,000	3.0	200,000	4.3
Long Term deposits	24,917	0.2	23,943	0.2	48,177	0.5	11,443	0.1	21,443	0.3	21,183	0.5
Long Term advances	63,900	0.4	56,230	0.4	32,774	0.3	34,787	0.4	37,353	0.6	27,673	0.6
Deferred tax asset	-	0.0	-	0.0	34,531	0.3	53,587	0.7	39,126	0.6	21,858	0.5
Total Non Current Assets	3,682,558	22.9	3,828,685	27.3	2,409,930	22.6	1,837,187	22.5	1,754,687	26.5	1,388,983	30.0
Current Assets												
Stock In Trade	4,135,825	25.7	4,713,751	34	3,835,095	36	2,315,936	28.4	2,106,011	31.7	1,790,211	38.7
Trade Receivables	2,311,740	14.4	2,120,419	15	1,330,337	13	694,687	8.5	322,554	4.9	391,163	8.5
Advances	535,985	3.3	-	-	971,808	9	316,746	3.9	421,964	6.4	148,027	3.2
Trade Deposits	-	0.0	-	0.0	-	0.0	50,015	0.6	45,960	0.7	34,916	0.8
Advances, trade deposits and prepayments	535,985	3.3	575,539	4	971,808	9	366,761	4.5	467,924	7.0	182,943	4.0
Other Receivables	148,511	0.9	122,545	1	31,698	0	26,860	0.3	36,525	0.6	3,271	0.1
Loan to Subsidiary	-	0.0	10,000	0	10,000	0	10,000	0.1	10,000	0.2	10,000	0.2
Short Term Investment	3,638,851	22.7	2,168,794	15	1,338,887	13	2,059,740	25.3	1,093,846	16.5	3,107	0.1
Tax Refunds due from Government	149,615	0.9	281,760	2	425,022	4	29,197	0.4	19,135	0.3	-	0.0
Cash & Bank Balances	1,459,207	9.1	204,338	1	287,324	3	812,049	10.0	823,197	12.4	858,895	18.6
Total Current Assets	12,379,733.86	77.1	10,197,147	72.7	8,230,170.88	77.4	6,315,230.00	77.5	4,879,192	73.5	3,239,590	70.0
Total Assets	16,062,291.70	100.0	14,025,831	100.0	10,640,100.48	100.0	8,152,417.00	100.0	6,633,879	100.0	4,628,573	100.0

Assets



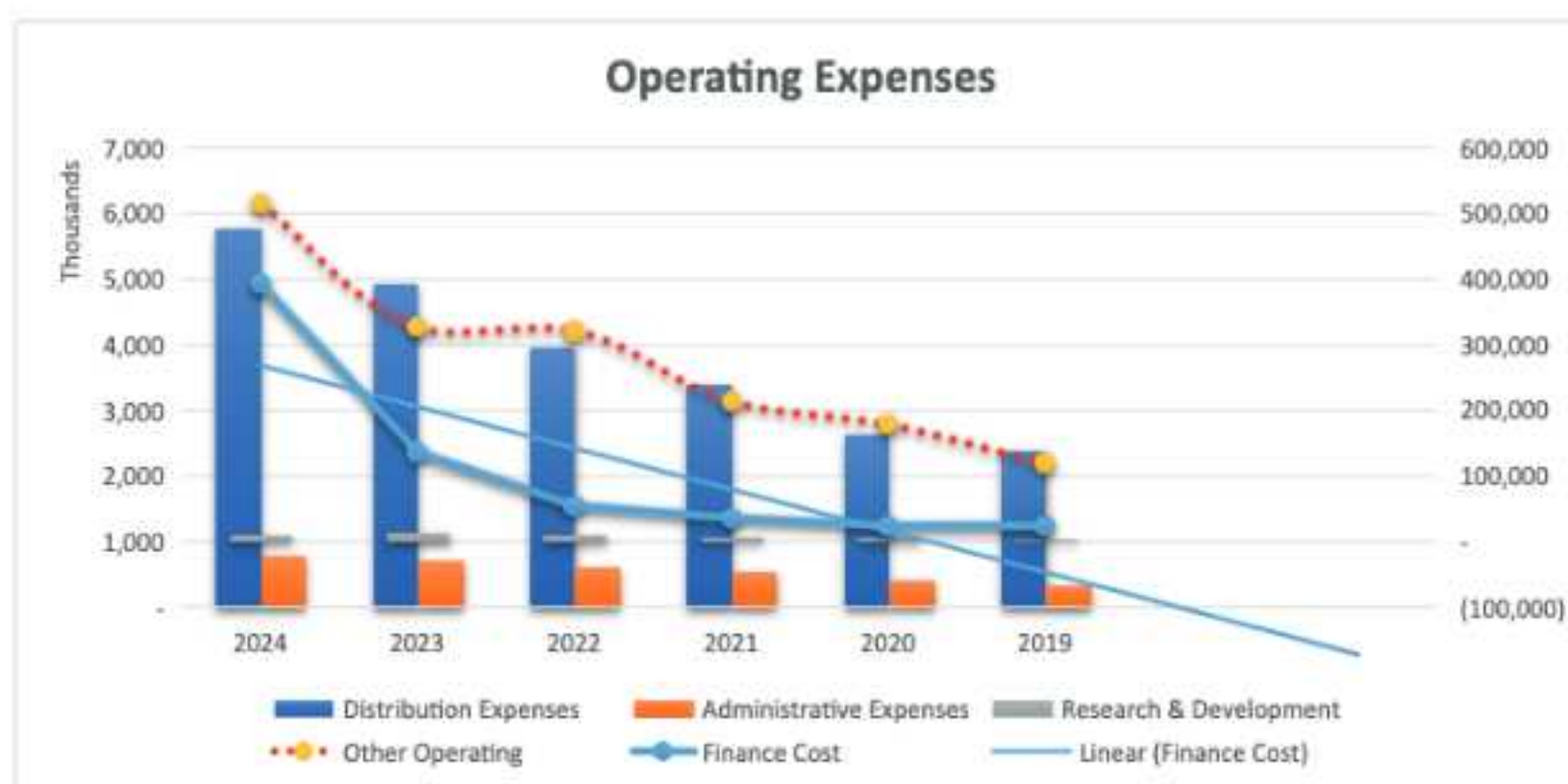
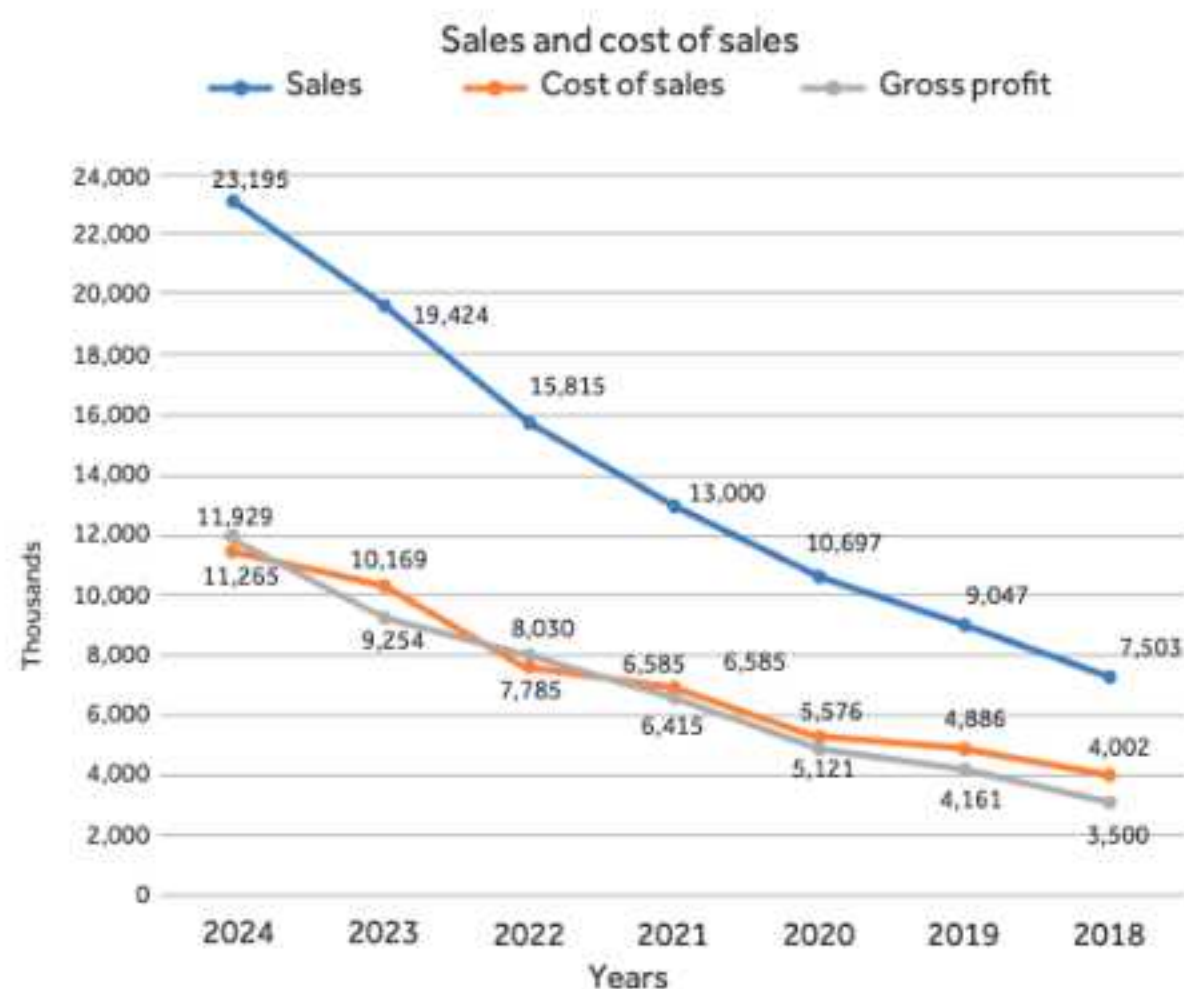
Equity and liabilities



HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

	2024		2023		2022		2021		2020		2019	
	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%
Sales-Net	23,195,152	19.4	19,424,255	22.8	15,815,937	21.7	13,000,780	21.5	10,697,634	18.2	9,047,693	20.6
Cost of Sales	11,265,537	10.8	10,169,790	30.6	7,785,853	18.2	6,585,187	18.1	5,576,458	14.1	4,886,100	22.1
Gross Profit	11,929,615	28.9	9,254,464	15.2	8,030,084	25.2	6,415,593	25.3	5,121,176	23.1	4,161,593	18.9
Distribution, Selling & Promotional Expenses	5,807,788	17.4	4,945,905	24.0	3,988,456	16.7	3,416,349	29.1	2,645,474	10.8	2,386,789	16.3
Admin & General Expenses	796,247	11.6	713,348	16.1	614,629	15.8	530,888	18.5	448,034	21.2	369,802	14.1
Research & Development Expenses	9,471	-36.9	15,020	41.3	10,631	22.6	8,673	36.0	6,378	27.2	5,013	32.0
Other Operating Expenses	515,016	57.7	326,591	1.6	321,451	50.0	214,260	19.6	179,129	49.0	120,206	35.6
	7,128,522	18.8	6,000,865	21.6	4,935,167	18.3	4,170,170	27.2	3,279,015	13.8	2,881,810	16.7
Operating Profit	4,801,093	47.6	3,253,599	5.1	3,094,917	37.8	2,245,423	21.9	1,842,161	43.9	1,279,783	24.1
Other Operating Income	432,259	133.1	185,459	-39.2	304,988	87.5	162,649	56.9	103,681	21.7	85,223	157.9
Finance Cost	393,894	188.6	136,474	150.9	54,400	51.4	35,929	49.0	24,110	0.8	23,921	185.2
Profit Before Tax	4,839,459	46.5	3,302,585	-1.3	3,345,504	41.0	2,372,144	23.4	1,921,732	43.3	1,341,086	27.0
Tax	1,585,958	76.3	899,571	-3.1	928,332	64.6	564,111	12.6	500,996	35.4	370,073	12.0
Profit After Tax	3,253,501	35.4	2,403,014	-0.6	2,417,172	33.7	1,808,033	27.3	1,420,736	46.3	971,012	33.8

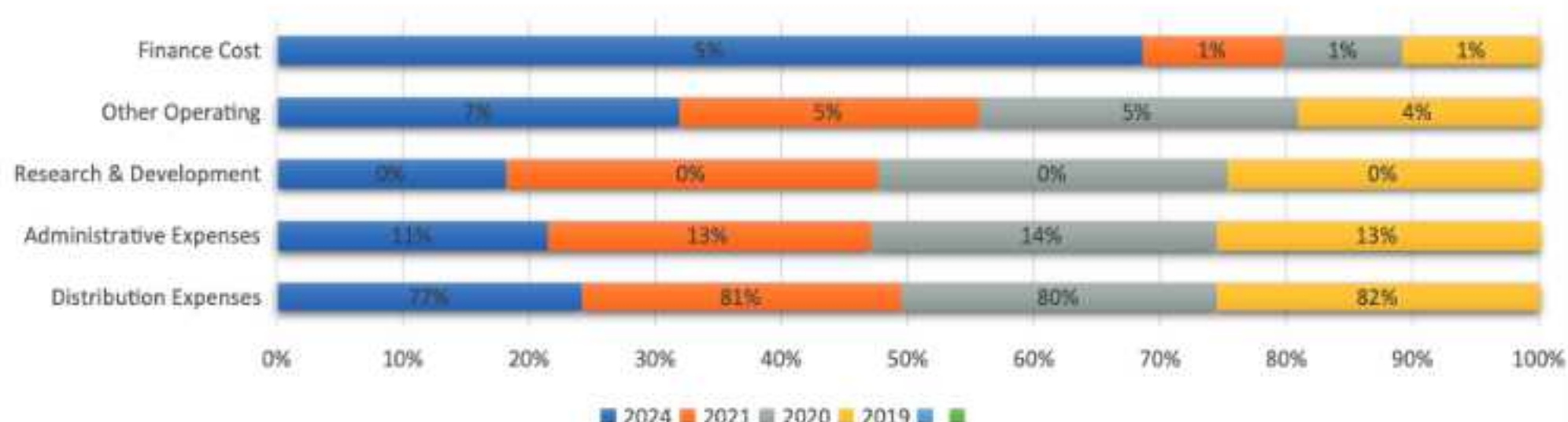


VERTICAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

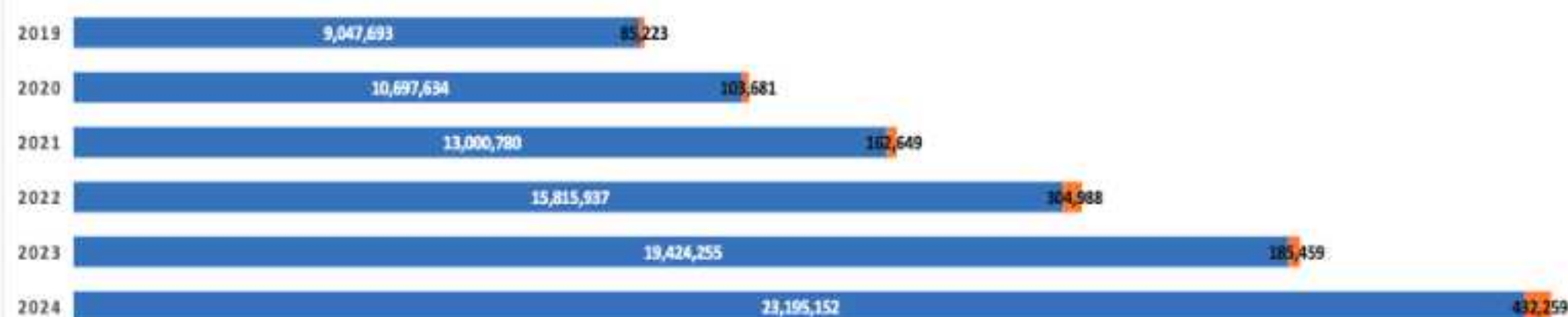
	2024		2023		2022		2021		2020		2019	
	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%	Rs. in 00	%
Sales-Net	23,195,152	100	19,424,255	100.0	15,815,937	100.0	13,000,780	100.0	10,697,634	100.0	9,047,693	100.0
Cost of Sales	11,265,537	49	10,169,790	52.4	7,785,853	49.2	6,585,187	50.7	5,576,458	52.1	4,886,100	22.1
Gross Profit	11,929,615	51	9,254,464	47.6	8,030,084	50.8	6,415,593	49.3	5,121,176	47.9	4,161,593	18.9
Distribution, Selling & Promotional Expenses	5,807,788	25	4,945,905	25.5	3,988,456	25.2	3,416,349	26.3	2,645,474	24.7	2,386,789	16.3
Admin & General Expenses	796,247	3	713,348	3.7	614,629	3.9	530,888	4.1	448,034	4.2	369,802	14.1
Research & Development Expenses	9,471	0	15,020	0.1	10,631	0.1	8,673	0.1	6,378	0.1	5,013	32.0
Other Operating Expenses	515,016	2	326,591	1.7	321,451	2.0	214,260	1.6	179,129	1.7	120,206	35.6
	7,128,522	31	6,000,865	30.9	4,935,167	31.2	4,170,170	32.1	3,279,015	30.7	2,881,810	16.7
Operating Profit	4,801,093	21	3,253,599	16.8	3,094,917	19.6	2,245,423	17.3	1,842,161	17.2	1,279,783	24.1
Other Operating Income	432,259	2	185,459	1.0	304,988	1.9	162,649	1.3	103,681	1.0	85,223	157.9
Finance Cost	393,894	2	136,474	0.7	54,400	0.3	35,929	0.3	24,110	0.2	23,921	185.2
Profit Before Tax	4,839,459	21	3,302,585	17.0	3,345,504	21.2	2,372,144	18.2	1,921,732	18.0	1,341,086	27.0
Tax	1,585,958	7	899,571	4.6	928,332	5.9	564,111	4.3	500,996	4.7	370,073	12.0
Profit After Tax	3,253,501	14.0	2,403,014	12.4	2,417,172	15.3	1,808,033	13.9	1,420,736	13.3	971,012	33.8

Operating Expenses



REVENUES

■ Sales ■ Other Income

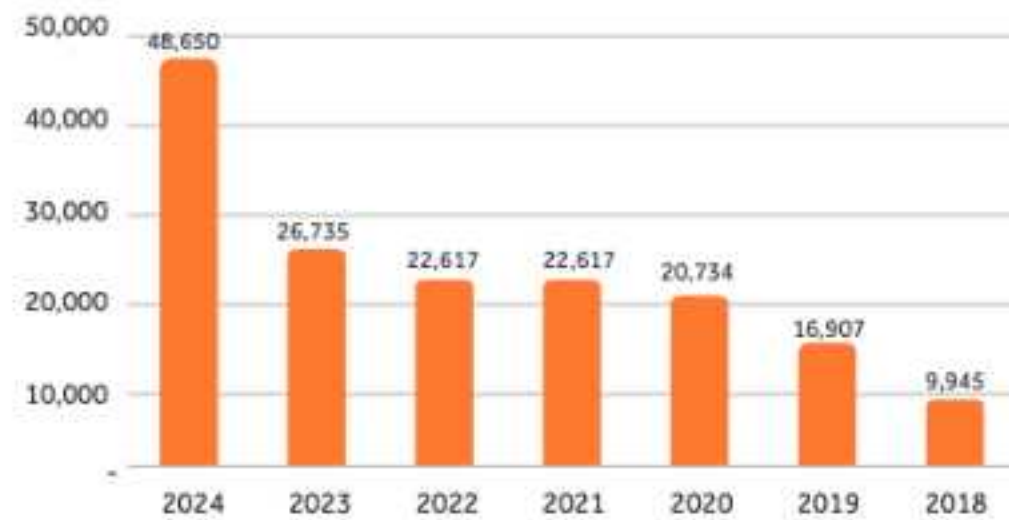


GRAPHICAL PRESENTATION

EPS, Dividend and Payout %



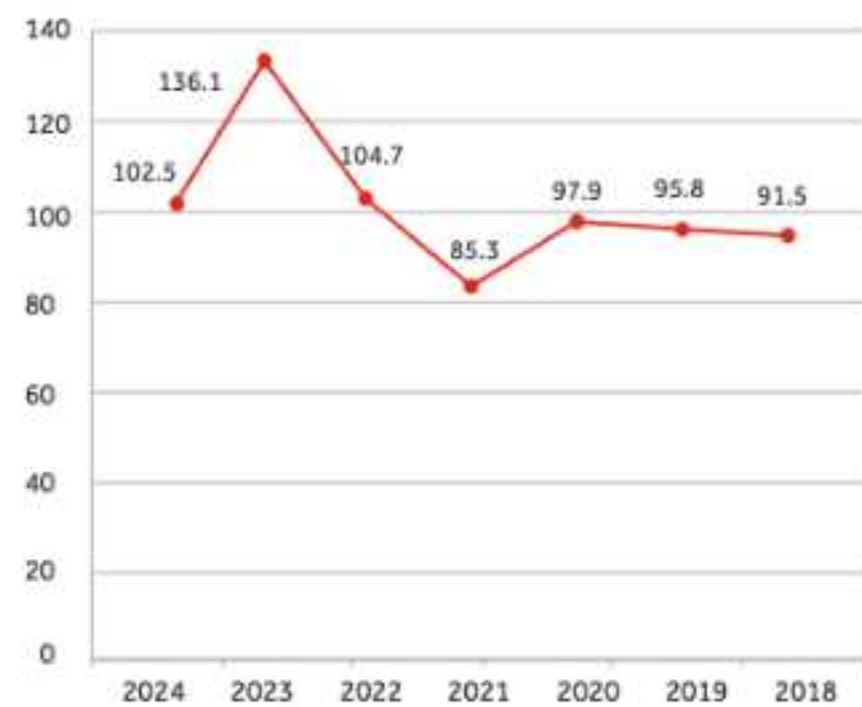
Market Capitalization (Millions)



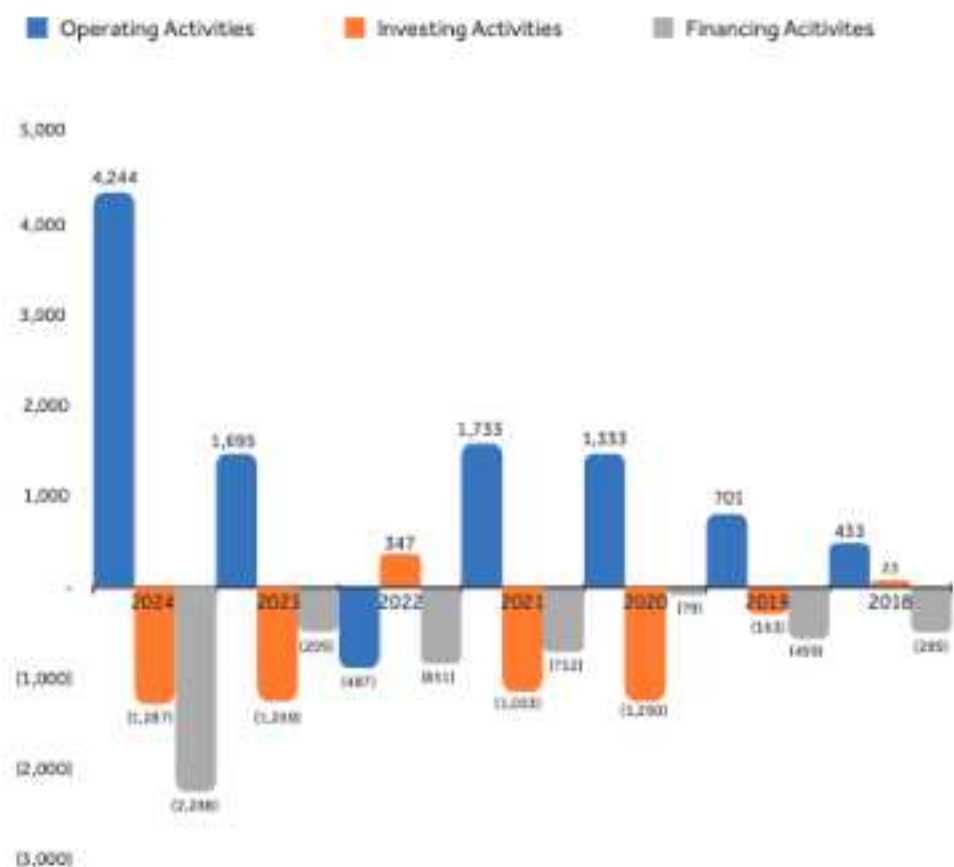
Dividend Yield, P/E Ratio and Market Value



Cash Operating Cycle (Days)



Cash flows analysis (Millions)



Asset Turnover (Times)



Corporate Governance



COMPANY INFORMATION

Board of Directors

Tausif Ahmad Khan
Chairman

Dr. Adeel Abbas Haideri
Chief Executive Officer

Tehmina Saeed Chaudhury
Director

Tariq Wajid
Director

Tauqir Ahmed Khan
Director

Tauqir Ahmed Khan
Director

Dr. Amanullah Khan
Director

Chief Financial Officer

Ashfaq P. Alidina

Senior General Counsel & Company Secretary

Baqar Hasan

Head Internal Auditor

Hamza Bilal

Registered Office and Plant

17.5 Kilometer Multan Road,
Lahore - 53700, Pakistan
UAN : +92 42 111 000 465
Fax : +92 42 3751 0037

E-mail :

corporate.affairs@highnoon.com.pk;

investor.relations@highnoon.com.pk

Web : www.highnoon-labs.com

Corporate Office

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

Legal Advisor

Raja Muhammad Akram & Co.

Tax Advisor

Yousuf Islam & Associates

Auditors

BDO Ebrahim & Co.
Chartered Accountants

Shares Registrar

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

Audit Committee

Tariq Wajid

Tehmina Saeed Chaudhury

Dr. Amanullah Khan

Tauqir Ahmed Khan

Human Resource and Remuneration Committee

Tariq Wajid

Dr. Adeel Abbas Haideri

Tehmina Saeed Chaudhury

Tauqir Ahmed Khan

Sustainability Committee

Tehmina Saeed Chaudhry

Dr. Adeel Abbas Haideri

Tauqir Ahmed Khan

Executive Committee

Dr. Adeel Abbas Haideri Chairman

Sajjad Hafeez Butt Member

Ashfaq P. Alidina Member

Azfar Abbas Haideri Member

Zulfiqar Zaidi Member

Shahnawaz Baig Member

I.T. Steering Committee

Tauqir Ahmed Khan Chairman

Dr. Adeel Abbas Haideri Member

Ashfaq P. Alidina Member

Sajjad Hafeez Butt Member

Zulfiqar Ali Zaidi Member

Shahnawaz Baig Member

Farhan Iftikhar Hashmi Member

Bankers

Habib Bank Limited

United Bank Limited

J.S Bank Limited

Allied Bank Limited

Habib Metropolitan Bank Limited

Meezan Bank Limited

MCB Bank Limited

First Habib Modaraba Limited

Standard Chartered Bank Limited

Bank Makramah Limited (formerly Summit Bank Limited)

Bank Alfalah Limited

Mobilink Microfinance Bank Limited

Askari Bank Limited

National Bank of Pakistan Limited

Bank Al-Habib Limited

Dubai Islamic Bank Limited

TERMS OF REFERENCE OF THE BOARD COMMITTEES

AUDIT COMMITTEE

The terms of reference of the Audit Committee are:

- a) determination of appropriate measures to safeguard the Company's assets.
- b) review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - (i) major judgmental areas.
 - (ii) significant adjustments resulting from the audit.
 - (iii) going concern assumption.
 - (iv) any changes in accounting policies and practices.
 - (v) compliance with applicable accounting standards.
 - (vi) compliance with statutory and regulatory requirements; and
 - (vii) all related party transactions.
- c) review of preliminary announcements of results prior to external communication and publication.
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto.
- f) ensuring coordination between the internal and external auditors of the Company.
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with the regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

The Terms of reference of Human Resource & Remuneration Committee are;

- (i) recommends to the Board for consideration and approval a policy framework for determining remuneration of Directors (both executive and non-executive directors and members of senior management).
- (ii) undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant.
- (iii) recommending human resource management policies to the Board;
- (iv) recommending to the Board the selection, evaluation, development, compensation

(including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

- (v) consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and
- (vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the Committee and a statement shall be made by them as to whether they have any other connection with the Company.

SUSTAINABILITY COMMITTEE

Environmental:

Our commitment towards minimizing our environmental footprint and promoting environmental stewardship includes:

- (i) Climate Change: Assessing and mitigating the risks and opportunities associated with climate change.
- (ii) Energy and Emissions: Reducing greenhouse gas emissions through energy efficiency, renewable energy, and other measures.
- (iii) Sustainable Resource Management: Efficiently using natural resources and reducing waste.
- (iv) Pollution Prevention: Preventing pollution and minimizing environmental impacts from our operations.
- (v) Biodiversity and Land Use: Protecting biodiversity and responsibly managing land use.
- (vi) Collaboration: Collaborate with stakeholders to support environmental stewardship and participate in industry-wide sustainability initiatives.

Social:

Our commitment towards making a positive impact on society by promoting social equity, diversity, and community well-being includes:

- (i) Diversity, Equity and Inclusion (DE&I): Fostering a diverse and inclusive workplace across all levels of the organization where all employees are treated with respect and have equal opportunities.
- (ii) Employee Well-being: Ensuring a safe, healthy, and supportive work environment for our employees and community engagement.

- (iii) Employee engagement: Oversee initiatives related to employee development, workplace safety, and human rights.
- (iv) Community Engagement: Support community development programs and corporate social responsibility (CSR) initiatives to create positive societal impact.

Actively engaging with and supporting the communities where we operate.

- (v) Collaboration: Engage with internal and external stakeholders to address social concerns and ensure responsible business practices.

Governance:

Our commitment towards maintaining strong governance practices that promote transparency, accountability, and ethical behavior includes:

- (i) Ensure the integration of sustainability principles into the company's business strategy and decision-making processes.
- (ii) Monitor compliance with SECP's ESG Disclosure Guidelines and other relevant regulatory requirements.
- (iii) Review and update sustainability-related policies to align with global best practices.
- (iv) Advise the Board on sustainability risks, opportunities, and performance metrics.

Gender Pay Gap Statement

Highnoon Laboratories Limited is firmly committed to enriching the lives of its employees through equity and inclusivity, striving to create a workplace where all employees are valued and rewarded fairly. The gender pay gap calculation for the year ended 31 December 2024, is presented in accordance with the circular issued by the Securities and Exchange Commission of Pakistan.

- ▶ Mean Gender Pay Gap: **13.28%**
(The mean pay for men is 13.28% higher than that of women).
- ▶ Median Gender Pay Gap: **-40.93%**
(The median pay for women is -40.93% higher than of men).
- ▶ Our gender pay gap reflects workforce composition rather than pay inequity. Women hold strong mid-to-senior management roles, earning competitively, with a mean pay gap of just **0.84%** when excluding Executive Committee salaries. Their significant presence in higher-paying roles results in a negative median pay gap, underscoring our commitment to inclusion and merit-based growth.



Dr Adeel Abbas Haideri
Chief Executive Officer



A man in a dark suit stands with his back to the camera, looking up at a bright, glowing sky. He is standing on a dark, jagged rock. The sky is filled with soft, golden clouds and several bright, white streaks of light that appear to be shooting down from above. The overall mood is one of hope and aspiration.

Highnoon

Laboratories Limited

Prides itself on its steady and unequivocal enforcement of code of conduct in all its workplaces to ensure a safe and healthy working environment where human rights play at the forefront.

Code of Conduct

The ethical standards and professional behaviour expected from employees.

Disciplinary Actions

- Strict enforcement of Code of Conduct.
- Violations of the Code of Conduct and its results: penalties or termination.

Whistleblowing

- Employees to report any unethical behaviour, while being protected against retaliation.

Data Protection and Confidentiality

- Safeguarding company data and respecting privacy policies.
- Prohibition of unauthorized disclosure of sensitive information.

Equal Opportunity and Non-Discrimination

- Promoting diversity and inclusion.
- Deliberate effort to keep workplace free from discrimination and harassment.



Compliance with Laws and Regulations

- Employees must adhere to all applicable local and international laws.
- Regulatory compliance is essential to maintain corporate integrity.

Workplace Ethics and Professional Conduct

- Employees to maintain honesty, fairness, confidentiality and accountability.

Conflict of Interest

- Avoidance of involvement in business decisions that may interfere personal interests.
- Disclose any potential conflicts to management.

Anti-Bribery and Corruption

- Prohibition from offering or accepting bribes, gifts or favors that influence decisions.
- Mandatory compliance with anti-corruption laws.

Health, Safety and Environment (HSE)

- Commitment to safe and healthy workplace practices to prevent workplace hazards.

INDEPENDENT AUDITOR'S REVIEW REPORT

to the members of Highnoon Laboratories Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Highnoon Laboratories Limited for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2024.

Further, We highlight paragraph 18 and 19 of Statement of Compliance where instances of non-compliance with the requirements of the Regulations are stated.

Lahore
March 29th, 2025
UDIN: CR202410087iBDrV0zc



BDO EBRAHIM & CO.
Chartered Accountants
Engagement Partner: Sajjad Hussain Gill

STATEMENT OF COMPLIANCE

with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: HIGHNOON LABORATORIES LIMITED
Year ended: December 31, 2024

Highnoon Laboratories Limited (the "Company") has complied with the requirements of Listed Companies Code of Corporate Governance Regulations, 2019 (the "Regulations") in the following manner:

1. The total number of directors are 7 as per the following:

- a. Male 6
- b. Female 1

2. The composition of the Board is as follows:

a) Independent Directors 2

- i. Tariq Wajid
- ii. Romesh Alexander Iddomalgada Elapata*

For Board comprising of seven members, One third of the directors equate to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one third is not rounded up as one since the fraction is below half (0.5). Furthermore, the two independent directors' have the requisite skills, knowledge and are capable of protecting the interest of minority shareholders.

*Romesh Alexander Iddomalgada Elapata has resigned on January 01, 2025 and his casual vacancy, thus created has been filled up by appointment of Dr. Amanullah Khan as Independent Director with effect from January 15th 2025.

b) Non-Executive Directors: 04

- i. Tausif Ahmad Khan
- ii. Taufiq Ahmed Khan
- iii. Tauqir Ahmed Khan
- iv. Tehmina Saeed Chudhary

c) Executive Directors: 01

- i. Dr. Adeel Abbas Haideri

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. A complete record of particulars of significant policies along with their dates of approval or amendment has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of the meeting of the Board.
8. The Board of directors has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. Six (06) out of seven (07) Directors are duly Certified or Exempted from the Directors' Training Program.
10. The Board has approved the appointment of Company Secretary, including the remuneration and terms and conditions of employment, and complied with relevant requirements of the regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) **Audit Committee**

1.	Tariq Wajid	Chairman
2.	Tauqir Ahmed Khan	Member
3.	Tehmina Saeed Chudhury	Member
 - b) **Human Resource and Remuneration (HR & R) Committee**

1.	Tariq Wajid	Chairman
2.	Dr. Adeel Abbas Haideri	Member
3.	Tehmina Saeed Chudhury	Member
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half-yearly/ yearly) of the committees were as per following:

a)	Audit Committee	4
b)	HR and R Committee	1
15. The Board has set up an effective internal audit function and the internal auditors of the Company are suitably qualified and experienced for the purpose and fully conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with the Audit Oversight Board of Pakistan, That They and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (Spouses, Parent, dependent and non-dependent children) of the Chief Executive officer, Chief Financial Officer, Head of Internal Audit , Company Secretary or Directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. Mandatory requirement non compliance:

We confirm that all requirements of regulations 3, 6, 7, 8, 32, 33 and 36 of the Regulations have been complied with except for the following:

Romesh Alexander Iddomalgada Elapata has been appointed as independent director for the forth term in Extra Ordinary General Meeting dated September 03, 2024 in non-compliance of Section 166(2(g)) of the Companies Act, 2017. However Romesh Alexander Iddomalgada Elapata has vacated the office with effect from January 15, 2025 and casual vacancy has been filled by Dr. Amanuallah Khan.

19. Explanation of non compliance requirement which are non mandatory other regulation 3, 6, 7, 8, 32, 33 and 36 are as follow;

Non-Mandatory Requirements	RegulationNo.	Explanation
Directors' Training: It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any Directors' Training Program (DTP) offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19 (i)	Currently, 6 out of 7 directors have acquired the certification under Directors' Training Programme or are exempted. One Director will acquire certification in coming year.
Nomination Committee The Company has not formed Nomination Committee	29(i)	The Company has Human Resource & Remuneration Committee which is performing the function of this Committee.
Risk Management Committee The Company has not formed Risk Management Committee	30(i)	The Company has Audit Committee which is performing the function of this Committee.
Role of the Board and its members to address Sustainability Risks and Opportunities: The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	10A	Subsequent to the end December 31, 2024, The Board has approved the constitution of the separate Sustainability Committee. The Committee will ensure that the Company has addressed sustainability related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director

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Guiding the Way Forward

With strategic foresight and a commitment to excellence, our management drives innovation, empowers teams and shapes a future of growth and success. Their leadership ensures we stay agile, purpose-driven and ready for the challenges ahead.



Board of Directors



Tausif Ahmad Khan

Chairman/Non-Executive Director

Tausif Ahmad Khan has served as a Director on the Board of Highnoon Laboratories Limited since 1988 and as the Chairman of the Board since 2010.

Tausif Ahmad Khan has served in key advisory roles with the Pakistan Pharmaceutical Manufacturers Association (PPMA). He has also influenced policy formulation by participating in forums of the Ministry of Health, Government of Pakistan, particularly in the implementation of the TRIPs Agreement (WTO) and the establishment of the Regulatory Authority. He advises on healthcare service efficiency and medicine accessibility as part of the President of Pakistan's Task Force on Pharmaceuticals.

Tausif Ahmad Khan also serves on the Board of Directors of Route 2 Health (Pvt) Limited and Curexa Health (Pvt) Limited. As a member of the International Chamber of Commerce, he remains engaged in global trade and industry advancements.

Tausif Ahmad Khan holds a degree in Economics from the University of Oregon, USA.



Dr Adeel Abbas Haideri

CEO/Executive Director

Dr Adeel Abbas holds the portfolio of Vice Chairman and CEO since December 2024. He has a career spanning 27 years, leading senior commercial roles across prominent names in the pharmaceutical industry.

He previously served as Chief Executive Officer, Chief Operating Officer and Director of Strategic Planning at Highnoon Laboratories Limited.

He is a medical graduate of Dow Medical College, Karachi.



Taufiq Ahmed Khan

Non-Executive Director

Taufiq Ahmed Khan has served as a Director on the Board of Highnoon Laboratories Limited since October 2010. He also holds the portfolio of Chief Executive Officer of Curexa Health (Pvt) Limited, which is a wholly owned subsidiary of Highnoon Laboratories Limited.

Taufiq Ahmed Khan is a business graduate from the University of Exeter, London.



Tauqir Ahmed Khan

Non-Executive Director

Tauqir Ahmed Khan is one of the major shareholders of Highnoon Laboratories Limited. He brings fresh perspectives and a strong commitment to fostering innovation and growth.

With a focus on delivering innovative solutions at the intersection of health and technology, he is dedicated to developing ideas that address critical challenges and drive meaningful change.

Driven by a passion for leveraging technology to improve health outcomes, he remains committed to making a significant impact on the healthcare landscape of Pakistan.



Tariq Wajid
Independent Director

Tariq Wajid holds the privilege of having led several mainstream multinational and local pharmaceutical companies in Pakistan.

In the recent past, he served as Vice Chairman of the American Business Council Pharmaceutical Committee, Hong Kong and as Chairman of the Pharma Bureau, Overseas Investors Chamber of Commerce and Industry. He has remained a member of the Advisory Boards of Lahore University of Management Sciences (LUMS) and the Institute of Business Administration (IBA) Karachi.

He holds an MBA from Boston University, Massachusetts, which he earned as a USAID Scholar (1988–89), and an MBA from the University of Karachi.



Tehmina Saeed Chaudhury
Non-Executive Director

Tehmina Saeed Chaudhury is an entrepreneur with extensive experience across multiple industries.

Since 1999, she has led the Data Group, a specialized security consultancy and vehicle fabrication company, as its CEO. She has previously served on the Boards of the Parks & Horticulture Authority and the Punjab Mineral Company. She has also represented Finland's commercial interests in Pakistan as a Commercial Representative for the Honorary Consulate of Finland.

A key figure in the Lahore Chamber of Commerce & Industry, she has served as Executive Committee Member and Convener of various Standing Committees.

She also founded and helmed HCC Technology Foundation, along with being the Vice Chair of various NGOs dedicated to art, education and research.

She holds a Master of Science (Honours) from the University of the Punjab.



Dr Aman Ullah Khan
Independent Director

Dr Amanullah Khan is a seasoned professional with over 30 years of experience in the pharmaceutical industry. He formerly served as General Manager at IQVIA. His expertise spans strategic leadership, business intelligence and healthcare market dynamics.

Beyond his corporate contributions, he remains actively engaged in various organizations, leveraging his expertise to support industry advancements and societal development.

He holds an MBBS degree from Dow Medical College (DOW) and an MBA from Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology (SZABIST).



CHAIRMAN'S REVIEW

DELIVERING VALUE AND ENRICHING LIVES

Pakistan's macroeconomic landscape in 2024 exhibited encouraging trends and signs of positive progress, contributing to increased stability and laying the foundation for potential growth. Strategic reductions in interest rates and a notable decline in inflation started alleviating pressures for businesses and consumers, creating a more conducive environment.

Notwithstanding prevailing economic challenges, the Company concluded another successful fiscal year, exceeding industry performance with an exceptional 29% return on equity—one of the highest among pharmaceutical stocks. With a consistent 65% payout ratio, Highnoon continues to be the leading pharmaceutical stock. This outstanding achievement underscores the unwavering confidence of healthcare professionals in the Highnoon brand and the steadfast dedication, resilience, and adaptability of our employees.

IQVIA's 2024 results recognized Highnoon's commitment to providing affordable, quality healthcare, noting its volume-driven growth in the Chronic Disease Sector, contrasting with industry trends of price-focused expansion.

In 2024, Highnoon Laboratories Limited reaffirmed its dedication to enriching lives. This dedication is manifested through initiatives such as launching more than 15 new products, organizing blood donation drives, providing platforms for healthcare professionals, promoting active lifestyles to enhance longevity, and

cultivating a diverse, inclusive, and development-focused environment for our employees.

The aforementioned success was driven by Highnoon Laboratories Limited's impressive ability to synergise strategic planning, operational efficiency, and a robust supply chain. Our proactive approach and flexibility in maintaining a diverse therapeutic portfolio, encompassing both essential and non-essential drugs, yielded some relief when the Government announced new pricing policy for non-essential drugs in 2024.

BOARD PERFORMANCE AND EFFECTIVENESS

The Board remained committed to guiding the Company through a dynamic and evolving business environment while ensuring compliance with statutory responsibilities for the benefit of all stakeholders. As an apex governing body, the Board exercised objective judgment in overseeing the Company's strategic direction, corporate governance, and risk management.

At Highnoon Laboratories Limited, we recognize our responsibility to operate sustainably and ethically,

enriching lives through our commitment to Environmental, Social, and Governance (ESG) principles. A committee has been formed by the Board to oversee sustainability initiatives and reporting. This is integral to ensuring we create value for all stakeholders while minimizing our environmental footprint and fostering a positive social impact.

In line with the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors was conducted to assess its performance and effectiveness against the Company's strategic objectives. For the financial year ended December 31, 2024, the Board's overall performance was assessed as Satisfactory, with continuous improvements forming part of its ongoing agenda.

The assessment considered key areas such as vision, mission, and values; engagement in strategic planning; policy formulation; oversight of business activities and financial resources; effective fiscal management; equitable treatment of employees; and efficiency in executing Board responsibilities.

The Board of Directors received agendas, supporting materials, and follow-up documentation in a timely manner before meetings. Furthermore, Board meetings were held with sufficient frequency to ensure effective governance, with non-executive and independent directors actively participating in key decisions.

FUTURE PROSPECTS

With the economy showing signs of stabilization after a prolonged period of volatility, the outlook appears promising. Global monetary easing and strategic governance policies have helped mitigate previous economic shocks.

Despite persistent economic challenges such as inflation and stringent fiscal policies, the Company remains resilient, leveraging agility, portfolio diversification, economies of scale, and a robust value chain. The Government's recent amendments to the pricing framework for non-essential drugs has opened the horizons for a more diverse portfolio.

ACKNOWLEDGMENT

On behalf of the Board of Directors, I extend my deepest gratitude to our stakeholders for their confidence and unwavering support for our initiatives.

I commend my fellow directors for their strategic oversight and commitment to steering the Company towards sustainable growth and value creation.

I also acknowledge the Government's efforts to establish a more equitable pricing strategy for non-essential drugs and encourage continued reforms that support business ease in light of the challenges faced by the pharmaceutical industry.

Most importantly, I extend my sincere appreciation to Highnoon employees—the true driving force behind our success. Their dedication, passion, and hard work have been instrumental in delivering value. On behalf of the Board, I sincerely thank them for their loyalty and contribution to our shared mission of Enriching Lives globally



Chairman
March 26th, 2025

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended December 31st, 2024. This report has been prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019.

Your Company stands among the well-established healthcare companies of Pakistan, focused on enriching lives and patient facilitation through manufacture, import, sale and marketing of pharmaceutical and related consumer products.

The Company has been listed at the Pakistan Stock Exchange Limited since 1995, with its registered office situated at 17.5 km, Multan Road, Lahore.

ECONOMIC OVERVIEW

During the year under review, Pakistan's challenging economic condition was marked by a relatively steady growth of 2.5% in GDP, inflation coming down to 13.13% due to easing global prices, stable exchange rate, monetary easing, and fiscal consolidation.

The above recent stability in macro-economic indicators has provided some relief to the pharmaceutical sector, which has been under immense pressure due to economic uncertainties and ever-changing regulations.

The government-led initiative of deregulation of prices of medicines not categorized as "essential" by World Health Organization ['WHO'], coupled with stable macro-economic, acted as a major incentive for innovative healthcare solutions. This encouraged companies to diversify their product portfolio, embracing production of non-essential medicines to meet the patients' needs.

Consequently, the industry marked the sales exceeding one trillion rupees in secondary market, marking a 21.45% year-on-year increase, with local manufacturers outpacing MNCs by 2.13%, in growth (21.99% vs 19.86%).

Pakistani pharmaceutical landscape saw dominance by indigenous manufacturers, primarily generic drug manufacturers, with domestic manufacturers meeting approximately 75.27% of national demand. The balance being carried by the localized operations of multinational corporations (MNCs) (24.7%). The above continues to reinforce the powerful competitive advantage of domestic entities sourcing local raw material, in face of ever volatile exchange rate parity that Pakistani rupee faces.

OPERATING RESULTS

	2024	2023
Key Financial Highlights	(Rupees in Millions)	
Sales	23,195	19,424
Gross Profit	11,929	9,254
Gross Profit %	51%	48%
Operating Profit	4,801	3,244
Operating Profit %	21%	17%
Finance Cost	(393)	(136)
Profit after tax	3,253	2,403
Other comprehensive Income-net of tax	(39)	587
Total Comprehensive Income for the Year	3,213	2,989
Un-appropriated profit brought forward	9,597	7,445

Appropriations

Profit available for appropriation	12,811	10,434
Final cash dividend @ Rs. 20 Per share FY 2023		837.68
Final cash dividend @ Rs. 30 Per share FY 2024	1,589.5	
Un-appropriated brought forward	11,221	9,597
Earning Per Share	61.41	45.35

PERFORMANCE OVERVIEW

Highnoon has managed to sustain its ranking of 12th, its market share rose to 2.63% with 4-year CAGR of 24.49% versus industry average 17.79% as per IQVIA's report 'MAT December 2024'.

Net sales surged by 19.4%, primarily driven by optimal product mix, volume expansion and price increase. Further, a regulatory shift by the Drug Regulatory Authority of Pakistan (DRAP), allowing greater pricing

flexibility for non-essential drugs, provided some relief. Highnoon leveraged its diversified portfolio to enhance pricing strategies, further strengthening its market positioning.

Consequently, Gross Margins expanded from 48% to 51%, reflecting a 28.9% year-on-year growth from 2023. Operating expenses grew in line with inflationary pressures as well as investment made in the new business portfolio.

Despite challenges being faced by Pharma Industry, Highnoon effectively mobilized operational and strategic efficiencies, capitalized on regulatory pricing shifts, and maintained strong market intelligence. This enabled the company to not only sustain but enhance profitability, achieving a 14% profit-to-sales ratio and reflecting a growth of 35% in profit after taxes since last year.

Highnoon has always strived to aim high and on achievement thereof, to aim higher. For gauging its performance, the Company makes use of various indicators like peer's position in relevant therapeutic class, industry growth and the impact of changes in laws/regulation on Company's performance. Targets are then formulated so remedial actions can be taken in case of any variance with the actual performance after regular intervals.

RECOGNITIONS

INTERNATIONAL

Transparency International assesses the 'Corporate Reporting' of 100 emerging market multinationals in respective countries. This year, Highnoon has, due to its impressive market performance and capitalization, been named among the top 69 public listed companies in Pakistan.

NATIONAL

For the second consecutive year, Highnoon has reaffirmed its commitment to excellence on the national stage by strengthening Pakistan's pharmaceutical exports and contributing to foreign exchange reserves. In recognition of these achievements, Highnoon was once again honored with the prestigious Pharma Export Award by the Prime Minister of Pakistan at the 7th Pharma Export Summit & Awards 2024 (PESA Awards).

Furthermore, the Company continues to strive to add value to its country through timely and impressive contributions towards the national exchequer, as part of its fiscal contributions.

EARNINGS PER SHARE

Based on audited account, Basic Earnings Per Share (EPS) for the year ended December 31, 2024 is Rs. 61.41 (2023: Rs. 45.35).

DIVIDEND ANNOUNCEMENT

The Board is pleased to announce a final cash dividend of 400% (2023: 300 %) i.e. Rs. 40 per share (2023: Rs. 30 per share) for the financial year ended December 31, 2024, subject to the approval by the shareholders at the Annual General Meeting to be held on 29th April, 2025. However, bonus shares at the rate of NIL percent (0%), i.e. NIL shares for every 100 shares (2023: 15%) were issued and settled with proper Board approvals during the year.

CONTRIBUTION TO NATIONAL EXCHEQUERS

Your Company has contributed Rs.2,401 million (2023: Rs. 2,280 million) to the Government on account of various Govt. levies including Taxes, Custom Duties, WPPF, CRF, EOBI, Social Securities and donations.

CORPORATE SOCIAL RESPONSIBILITY

One of our key strategic priorities is to operate as a conscious and responsible business. We embody this commitment through the intersection of three focus areas: making everyday health more inclusive, reducing our environmental impact, and upholding ethical, responsible, and transparent behaviors and standards of conduct. During the period under review, the Company embarked on various initiatives as a part of its responsible business strategy to demonstrate its commitment to social welfare and environmental causes, including sustaining support for Thalassemia patients, donations to various foundations such as The Care Foundation, Fatimid Foundation, SOS Children's Villages of Pakistan and spearheading various patient facilitation programs.

RELATED PARTY TRANSACTIONS

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in Note 49 to the standalone financial statements on pages 149 to 150 of the Annual Report.

AUDITORS

BDO Ebrahim & Co. Chartered Accountants have audited the Financial Statements of the Company for the year ended December 31, 2024.

The Board has agreed with the Audit Committee's recommendation to reappoint BDO Ebrahim & Co. Chartered Accountants as the statutory auditors of the Company for the upcoming financial year 2025 and has forwarded the proposal for approval at the Annual

General Meeting. This decision aligns with the Company's dedication to upholding the paramount standards of governance. Continuing with the prior year's auditors would foster enhancements in the firmness of our auditing practices, internal governance and risk management procedures. This re-appointment awaits ratification by the Members at the upcoming Annual General Meeting.

COMPOSITION OF BOARD OF DIRECTORS, ITS COMMITTEES & MEETINGS

During the year under review, the Directors of the Company completed their tenure in office and election of directors was held on September 02, 2024, and seven directors (six male directors and one female director) were elected for a term of three years in terms of section 159 of Companies Act, 2017.

The Board comprises seven (07) directors, including the Chief Executive Officer and boast a diverse mix of gender, knowledge, and expertise to enhance its effectiveness.

The attendance of members at the meetings is summarized as under:

Sr. No.	Member	No. of BOD Meetings Attended
1	Tausif Ahmad Khan	6
2	Dr. Adeel Abbas Haideri	6
3	Taufiq Ahmed Khan	6
4	Ghulam Hussain Khan*	5
5	Zainub Abbas*	5
6	Romesh Alexander	
	Iddomalgada Elapata	4
7	Tariq Wajid	5
8	Tehmina Saeed Chudhury	1
9	Tauqir Ahmed Khan	1

Leave of absence was granted to the members not attending the Board meetings.

*Ghulam Hussain Khan and Zainab Abbas retired during the year.

COMPLIANCE WITH THE LISTED COMPANIES CODE OF CORPORATE GOVERNANCE REGULATIONS, 2019

As mandated by the Listed Companies (Code of Corporate Governance) Regulations 2019, the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The Company maintains a sound internal control system which gives reasonable assurance against material misstatement or loss. The internal control system is regularly reviewed.
- We affirm the Company's ability to continue as a going concern. There has been no departure from the best practices of corporate governance.
- Key operating and financial data for the last six years is summarized and annexed in report.
- Outstanding taxes, statutory charges, and duties, if any, have been duly disclosed in the financial statements.
- Significant deviations from last year in the operating results of the Company have been highlighted and explained.
- Outstanding debts, if any, have been duly disclosed in the financial statements.
- The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with best practices.
- The related party transactions of the Company are approved and / or ratified by the Audit Committee and the Board of Directors.

TRADING OF SHARES BY DIRECTORS, CFO, CEO AND COMPANY SECRETARY ETC.

All the trades in the shares of the company, if any carried out by the directors, CEO, CFO, Company Secretary, Executives & their spouses are also annexed in detail

Sr. No.	Name	Transaction	No. of Shares
1	Ghulam Hussain Khan	Purchase	421
2	Huma Hussain Khan (Spouse of GHK)	Purchase	18
3	Ghulam Hussain Khan	Sale	27,000
4	Tariq Wajid	Sale	126
5	Tariq Wajid	Purchase	126

PATTERN OF SHAREHOLDING

The pattern of shareholding and categories of shareholders as of December 31, 2024, as required under the Pakistan Stock Exchange Regulations, have been annexed herewith.

CODE OF CONDUCT

As per the Corporate Governance guidelines, the Company has prepared a Code of Conduct, summarized on page 50 of the Annual Report.

CREDIT RATINGS

Highnoon Laboratories Limited received a long-term rating of A+ and a short-term rating of the Company at A1, on January 24, 2025. The ratings reflect a strong business profile of the Company on the back of a diversified product mix and very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

STATEMENT AS TO THE VALUE OF INVESTMENT OF PROVIDENT FUND

The value of the investment of the provident fund is Rs. 651.517 million in accordance with the audited financial statements of Highnoon Laboratories Limited Employees' Provident Fund for the year ended December 31, 2024

INTERNAL AUDIT

Internal Audit function is effectively operating within the framework set out in Code of Corporate Governance and the charter defined by the Audit Committee of the Board of Directors, to provide an independent and objective evaluation on the effectiveness of governance, risk management and control activities.

The Internal Audit function is progressing from a conventional function into a business partner and advisory role by following a proactive approach towards effective corporate governance through risk mitigation, adding value within the business process and creating synergies at the group level.

The Board relies on the inputs and recommendations of the Internal Audit Function through its Audit Committee on the adequacy and effectiveness of internal controls in the organization and takes appropriate measures. The function effectively utilizes risk control matrices, prioritizing and developing the annual plan and strengthening the internal controls through periodic reviews of all the functions / processes in the organization. Internal Audit also emphasizes the importance of Business Continuity and completeness of Risk Control means to have seamless operations at entity level that is currently being implemented. Further, Internal Audit also ensures the implementation of Enterprise Risk Management (ERM) Framework as per COSO standards, through a dedicated ERM section.

DIRECTORS' REMUNERATION

The remuneration policy for the Board of Directors has been designed based on market trends and reflects the competencies, efforts and unique set of responsibilities the directors shoulder.

The remuneration of the Executive Directors is approved by the Board. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his own remuneration.

To keep transparency, the Board shall observe the following principles while determining the remuneration of any Director:

- The remuneration package shall encourage value creation within the company.
- The remuneration package shall be appropriate to attract and retain directors needed to govern the company successfully.
- Levels of remuneration shall not be at a level that could be perceived to compromise their independence.
- The Board shall give due consideration to the recommendations of the HR & R Committee.
- No Director shall participate in a part of the meeting in which his/her own remuneration is to be determined.
- A detailed disclosure on the remuneration of the Chief Executive Officer, Directors and Executives for the subject year has been given under Note No. 44 of the annexed standalone financial statements, reference to page 130 of the Annual Report.

OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER:

In compliance with good governance practices, the position of Chairman of the Board of Directors and the office of Chief Executive Officer are held by separate persons with clear duties and responsibilities.

ANNUAL EVALUATION OF BOARD PERFORMANCE

An annual evaluation of the Board is carried out on the basis of a self-assessment questionnaire to ensure that the Board's overall performance and effectiveness is measured, and benchmarked against expectations in the context of objectives set by the Company. The evaluation provides the Board with an opportunity to review the balance skills, experience, diversity and perspectives. The size and composition of the Board is adequate to govern the Board procedures.

The criteria used in evaluating the performance is as under:

- Board Composition and Organization;
- Terms of Reference;
- Skills and Expertise of Board Members strategic planning;
- Availability of guideline to the Management;
- Efficiency of board meetings and decision-making process;
- Regular follow up to measure the impact of Board's decisions;
- Communication between the Board and the Management;
- Constitution of Board Committees with members possessing adequate technical knowledge and expertise;
- Dividing the roles of Chairman and the CEO Quality of Management reports received from Board Committees;
- Board & CEO effectiveness; and
- Risk Mitigation.

INVESTOR GRIEVANCE POLICY

The Company continuously engages with its investors and responds to their queries, concerns and grievances. The Shares Registrar is responsible to address the investor's grievances.

SUSTAINABILITY REPORTING

The Company recognizes the importance of ESG and is committed to adhering to SECP's regulatory guidelines on ESG disclosure. We strongly believe that ESG factors have significant impact on investor confidence, financial stability and overall business viability. We are integrating sustainability considerations into our operations which

will help to mitigate risks, enhance reputation and offer sustainable products and services. This approach ultimately creates long-term value for all stakeholders. The Company has also formed a Sustainability Committee post year end and also in process of developing policies as suggested by SECP in its recent guideline.

DIVERSITY, EQUITY & INCLUSION VISION STATEMENT

Creating a work environment and impacting communities where Diversity Thrives, Equity Prevails, and Inclusion Unites. Nurturing a work culture that embraces all generations, values broad spectrum of ideas and integrates them within the organization.

HEALTH SAFETY & ENVIRONMENT

The Company is well aware of its responsibility to the environment being a responsible environment protecting corporate citizen. During the year, HSE performance of all the segments remained excellent. Strong commitment of Plant team has enabled it to achieve all HSE standards. Comprehensive monitoring and self-auditing regimes remained in focus backed by internal and external audits. Management Safety Audits, Emergency Response, Plant Reliability Enhancement Program, Occupational Health & Industrial Hygiene and Customized Housekeeping audits are few to be named.

SUBSIDIARY COMPANY

CUREXA HEALTH (PRIVATE) LIMITED

A separate Directors' Report is annexed to the Consolidated Financial Statements with its wholly owned subsidiary.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the year and the date of this report.

OUTLOOK

Pakistan is at a crossroads where, decisive, multi-faceted reforms and visionary leadership is needed to unlock economic potential and build resilience.

Pakistan's macroeconomic outlook reflects cautious optimism, underpinned by fiscal consolidation and external sector stabilization.

Nonetheless, there are challenges posed by the regulatory landscape due to its complexity and lack of transparency which underscores the need for a consistent policy framework and streamlined regulatory procedures to ensure the sector's optimal contribution towards the well-being of the people of Pakistan.

Highnoon's focus on operational efficiencies, strategic portfolio diversification, and market expansion will be instrumental in sustaining profitability amid an evolving economic landscape.

ACKNOWLEDGMENT

The Board of Directors extends its sincere gratitude to all employees for their unwavering dedication and exceptional contribution throughout the year. Their commitment has been instrumental in achieving our strategic objectives and driving sustainable growth. We also acknowledge the invaluable support of our shareholders, customers, and partners including Government of Pakistan and its entities such as Special Investment Facilitation Council ['SIFC'], whose trust and collaboration have been pivotal to our success. Looking ahead, we remain committed to upholding the highest standards of corporate governance and delivering long-term value to all our stakeholders.

AUTHORIZATION

The Board, in compliance with the requirement of Section 227(5) of Companies Act 2017, authorized the Chief Executive Officer and a director to sign the Directors' Report on behalf of the Board.

For and on behalf of the Board



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director

Lahore
March 26th, 2025

PATTERN OF SHAREHOLDING

As at December 31st, 2024

Serial No.	No. of Shareholders	-----Shareholdings-----		Total Shares Held
		From	To	
1	1604	1	100	46,693
2	1288	101	500	319,613
3	483	501	1,000	360,677
4	724	1,001	5,000	1,670,973
5	97	5,001	10,000	700,743
6	39	10,001	15,000	482,570
7	23	15,001	20,000	403,264
8	12	20,001	25,000	268,092
9	12	25,001	30,000	335,139
10	11	30,001	35,000	358,584
11	4	35,001	40,000	153,585
12	3	40,001	45,000	131,222
13	5	45,001	50,000	239,198
14	7	50,001	55,000	370,644
15	1	55,001	60,000	55,885
16	1	60,001	65,000	63,202
17	4	65,001	70,000	275,722
18	4	70,001	75,000	294,682
19	2	80,001	85,000	167,837
20	2	85,001	90,000	174,267
21	2	95,001	100,000	196,719
22	2	100,001	105,000	205,941
23	4	105,001	110,000	425,687
24	1	120,001	125,000	120,283
25	2	135,001	140,000	277,164
26	1	140,001	145,000	144,049
27	1	155,001	160,000	160,000
28	1	160,001	165,000	160,600
29	1	165,001	170,000	168,829
30	1	175,001	180,000	176,222
31	1	190,001	195,000	190,468
32	1	195,001	200,000	200,000
33	1	210,001	215,000	213,550
34	1	220,001	225,000	223,152
35	1	225,001	230,000	228,784
36	1	235,001	240,000	238,079
37	1	245,001	250,000	245,123
38	2	250,001	255,000	500,367
39	1	260,001	265,000	261,999
40	1	280,001	285,000	282,509
41	1	285,001	290,000	298,785
42	1	295,001	300,000	301,558
43	1	300,001	305,000	313,809
44	1	355,001	360,000	356,551
45	2	375,001	380,000	755,395
46	1	385,001	390,000	388,485
47	1	390,001	395,000	395,000
48	1	490,001	495,000	493,729
49	1	535,001	540,000	540,000
50	1	565,001	570,000	569,500
51	1	605,001	610,000	607,239

Serial No.	No. of Shareholders	-----Shareholdings-----		Total Shares Held
		From	To	
52	1	700,001	705,000	702,850
53	1	770,001	775,000	774,542
54	1	825,001	830,000	827,163
55	1	1,110,001	1,115,000	1,110,346
56	1	1,480,001	1,485,000	1,483,092
57	1	1,500,001	1,505,000	1,504,176
58	1	1,880,001	1,885,000	1,884,907
59	1	2,315,001	2,320,000	2,318,940
60	1	2,860,001	2,865,000	2,861,953
61	1	3,385,001	3,390,000	3,387,836
62	1	3,955,001	3,960,000	3,959,560
63	1	4,415,001	4,420,000	4,416,242
64	1	4,980,001	4,985,000	4,984,500
65	1	6,255,001	6,260,000	6,255,088
TOTAL	4379			52,983,363

Categories of shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	17,806,281	33.6073%
Associated Companies, undertakings and related parties. (Parent Company)	5,036,700	9.5062%
NIT and ICP	607,789	1.1471%
Banks Development Financial Institutions, Non Banking Financial Institutions.	2,556,808	4.8257%
Insurance Companies	3,316,623	6.2597%
Modarabas and Mutual Funds	2,495,602	4.7102%
Shareholders holding 10% or more	6,269,314	11.8326%
General Public		
a. Local	15,324,529	28.9233%
b. Foreign	986,820	1.8625%
Others (to be specified)		
- Government Holding	577,032	1.0891%
- Joint Stock Companies	1,893,782	3.5743%
- Pension Funds	316,988	0.5983%
- Foreign Companies	1,815,203	3.4260%
- Others	249,206	0.4703%

Sr.#	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	Pharmatec Investments Limited (CDC)	4,416,242	8.3351%
2	Route 2 Health (Private) Limited (CDC)	238,079	0.4493%
3	Trustee-Highnoon Laboratories Limited Staff Provident Fund (CDC)	213,550	0.4031%
4	Highnoon Employees Welfare Trust (CDC)	168,829	0.3186%

Mutual Funds (Name Wise Detail)

1	CDC - Trustee ABL Stock Fund (CDC)	34,700	0.0655%
2	CDC - Trustee AKD Index Tracker Fund (CDC)	6,977	0.0132%
3	CDC - Trustee Al Habib Islamic Stock Fund (CDC)	160,600	0.3031%
4	CDC - Trustee Al Habib Stock Fund (CDC)	46,000	0.0868%
5	CDC - Trustee Al Meezan Mutual Fund (CDC)	48,000	0.0906%
6	CDC - Trustee Al-Ameen Islamic Asset Allocation Fund (CDC)	15,090	0.0285%
7	CDC - Trustee Al-Ameen Shariah Stock Fund (CDC)	377,195	0.7119%
8	CDC - Trustee Alfalah GHP Alpha Fund (CDC)	14,219	0.0268%
9	CDC - Trustee Alfalah GHP Dedicated Equity Fund (CDC)	3,800	0.0072%
10	CDC - Trustee Alfalah GHP Islamic Dedicated Equity Fund (CDC)	1,384	0.0026%
11	CDC - Trustee Alfalah GHP Islamic Stock Fund (CDC)	51,213	0.0967%
12	CDC - Trustee Alfalah GHP Stock Fund (CDC)	54,851	0.1035%
13	CDC - Trustee APF-Equity Sub Fund (CDC)	16,038	0.0303%
14	CDC - Trustee APIF - Equity Sub Fund (CDC)	27,248	0.0514%
15	CDC - Trustee Atlas Islamic Dedicated Stock Fund (CDC)	14,026	0.0265%
16	CDC - Trustee Atlas Islamic Stock Fund (CDC)	105,301	0.1987%
17	CDC - Trustee Atlas Stock Market Fund (CDC)	261,999	0.4945%
18	CDC - Trustee Faysal Asset Allocation Fund (CDC)	330	0.0006%
19	CDC - Trustee Faysal Islamic Stock Fund (CDC)	17,457	0.0329%
20	CDC - Trustee Faysal Stock Fund (CDC)	811	0.0015%
21	CDC - Trustee JS Islamic Fund (CDC)	17,739	0.0335%
22	CDC - Trustee JS Islamic Pension Savings Fund-Equity Account (CDC)	1,990	0.0038%
23	CDC - Trustee JS Large Cap. Fund (CDC)	70,000	0.1321%
24	CDC - Trustee JS Pension Savings Fund - Equity Account (CDC)	3,700	0.0070%
25	CDC - Trustee Lakson Equity Fund (CDC)	86,420	0.1631%
26	CDC - Trustee Lakson Islamic Tactical Fund (CDC)	2,528	0.0048%
27	CDC - Trustee Lakson Tactical Fund (CDC)	2,254	0.0043%
28	CDC - Trustee Mahaana Islamic Index Excnaged Traded Fund (CDC)	2,644	0.0050%
29	CDC - Trustee MCB Pakistan Stock Market Fund (CDC)	140,000	0.2642%
30	CDC - Trustee Meezan Asset Allocation Fund (CDC)	1,000	0.0019%
31	CDC - Trustee Meezan Balanced Fund (CDC)	15,350	0.0290%
32	CDC - Trustee Meezan Islamic Fund (CDC)	228,784	0.4318%
33	CDC - Trustee UBL Asset Allocation Fund (CDC)	6,871	0.0130%
34	Cdc - Trustee UBL Retirement Savings Fund - Equity Sub Fund (CDC)	54,494	0.1029%

Mutual Funds (Name Wise Detail)

35	CDC - Trustee UBL Stock Advantage Fund (CDC)	356,551	0.6729%
36	CDC - Trustee Unit Trust Of Pakistan (CDC)	44,500	0.0840%
37	CDC Trustee - Meezan Dedicated Equity Fund (CDC)	2,320	0.0044%
38	CDC-Trustee Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund (CDC)	63,202	0.1193%
39	MC FSL - Trustee JS Growth Fund (CDC)	99,500	0.1878%
40	MCBFSL - Trustee ABL Islamic Stock Fund (CDC)	38,200	0.0721%
41	MCBFSL Trustee ABL Islamic Dedicated Stock Fund (CDC)	200	0.0004%

Directors, CEO and their Spouse and Minor Children (Name Wise):

1	Tausif Ahmad Khan (CDC)	3,961,554	7.4770%
2	Dr. Adeel Abbas Haideri	1,282	0.0024%
3	Taufig Ahmed Khan (CDC)	5,230,533	9.8720%
4	Tauqir Ahmad Khan	6,269,314	11.8326%
5	Romesh Alexander Iddomalgada Elapata	1,037	0.0020%
6	Tehmina Saeed Chaudhary (CDC)	23,495	0.0443%
7	Tariq Wajid (CDC)	126	0.0002%
8	Zainub Abbas W/O Tausif Ahmad Khan(CDC)	2,318,940	4.3767%

Executives

-

Public Sector Companies & Corporations:

-

Banks, Development Finance Institutions, Non Banking Finance

6,190,535 11.6839%

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:**Shareholders holding five percent or more voting interest in the listed company (Name Wise)**

1	Tauqir Ahmed Khan	6,269,314	11.8326%
2	Taufig Ahmed Khan	5,230,533	9.8720%
3	Pharmatec Investments Limited	4,416,242	8.3351%
4	Tausif Ahmad Khan	3,961,554	7.4770%
5	Nosheen Riaz Khan (CDC)	3,689,386	6.9633%
6	State Life Insurance Corp. Of Pakistan (CDC)	2,861,953	5.4016%

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Financial Statements

Highnoon Laboratories Limited
for the year ended 31 December 2024



INDEPENDENT AUDITOR'S REPORT

To the members of Highnoon Laboratories Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of HIGHNOON LABORATORIES LIMITED (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr No.	Key Audit Matters	How the matter was addressed in our audit
1.	Revenue Recognition	
	During the year ended December 31, 2024, the Company reported net revenue of Rs. 23.195 billion, compared to Rs. 19.424 billion in the previous year, as disclosed in Note 32 and in accordance with the accounting policy described in Note 6.7 to the unconsolidated financial statements. Given the significance of revenue as a key performance indicator and the attention required to ensure the accurate recognition of revenue, we identified revenue recognition as a key audit matter.	Our audit procedures in relation to the matter, amongst others, included the following: • Obtained an understanding of the Company's revenue recognition processes and internal controls, and tested their efficacy on a sample basis, including timing; • Evaluated the appropriateness of the Company's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan; • Conducted sequential testing of sales invoices to ensure the completeness and accuracy of recorded revenue.; • Assessed IT general controls and application controls for effectiveness in processing revenue transactions; • Performed test of controls on identified controls to ensure that they are operating effectively; • Performed substantive analytical procedures using disaggregated data to gain assurance over the recognized revenue, with a focus on outliers and unusual trends in light of the external economic environment; • Performed testing on sales returns to assess the accuracy of the recognized refund liability. This included conducting inquiries with management to understand the reasons for returns, reviewing supporting documentation, verifying the accuracy of credit notes issued, and ensuring the correct application of revised rates on updated invoices. • Reviewed year-end manual adjustments impacting revenue to identify significant or unusual items, and examined the underlying documentation; • Tested supporting evidence for a sample of sales transactions, including sales orders, invoices, gate passes, delivery challan (customer acknowledgment) and other detailed procedures; • Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and

Sr No.	Key Audit Matters	How the matter was addressed in our audit
		Assessed the appropriateness and adequacy of the disclosures provided in Note 33 to the unconsolidated financial statements in accordance with relevant accounting standards.
2.	Inventories	
	As described in Note 13 to the unconsolidated financial statements, the Company's inventories include items of raw- materials in hand, raw-materials in transit and raw-materials held with third party against which the rights and obligations have been transferred to the Company, packing materials, stores, spare parts and loose tools, work in process and the finished good items as at reporting date amounting to Rs. 4,135.824 million as compared to Rs. 4,713.751 million which represents 13% decrease as compared to last year. We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Company and determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves significant management judgment and estimation.	Our audit procedures in relation to the matter, amongst others, included the following: - Obtained an understanding of the Company's processes and design and implementation of internal controls relating the purchase and recording on inventory and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on inventory; - Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets; - We evaluated the effectiveness of the Company's internal controls over inventory management across various stages of production. This included performing IT audit controls (ITAC) to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. We also verified that stock issuance rates were correctly calculated and that inventory was appropriately valued; - Performed substantive analytical procedures to reconcile stock issuance as per stock movement records with the amounts recorded in the trial balances. This involved investigating any discrepancies, including those related to interdepartmental issuances, and ensuring that consumption is accurately reflected in the financial statements; - Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; - Performing procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period. This help verifying that the costs associated with inventory were properly allocated to the correct accounting period. - Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the relevant accounting and reporting standards; and

Sr No.	Key Audit Matters	How the matter was addressed in our audit
		Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

Information Other than the unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The unconsolidated financial statements of Company for the year ended December 31, 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon vide their report dated April 08, 2024.

The engagement partner on the audit resulting in this independent auditor's audit report is Sajjad Hussain Gill.

Lahore
March 29th, 2025
UDIN: AR2024100878pfEZirgL



BDO EBRAHIM & CO.
Chartered Accountants
Engagement Partner: Sajjad Hussain Gill

Unconsolidated Statement of Financial Position As at 31 December 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,346,874,631	3,516,225,615
Intangible assets	9	46,866,785	32,285,579
Long term investment	10	200,000,000	200,000,000
Long term deposits	11	24,916,894	23,943,429
Loan to employees	12	63,899,529	56,230,067
		3,682,557,839	3,828,684,690
Current assets			
Inventories	13	4,135,824,753	4,713,751,445
Trade receivables	14	2,311,740,481	2,120,418,793
Advances, trade deposits and prepayments	15	535,985,033	575,539,494
Other receivables	16	148,510,886	122,545,109
Loan to subsidiary	17	-	10,000,000
Short term investments	18	3,638,850,646	2,168,794,002
Tax refunds due from the Government	19	149,615,092	281,759,987
Cash and bank balances	20	1,459,206,965	204,337,732
		12,379,733,856	10,197,146,562
TOTAL ASSETS		16,062,291,695	14,025,831,252



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Statement of Financial Position As at 31 December 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	21	1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	21	529,833,630	529,833,630
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of tax	22	865,425,008	899,339,441
Revenue reserves			
Accumulated profit		9,825,907,063	8,167,526,233
Total Equity		11,221,165,701	9,596,699,304
Non-current liabilities			
Lease liabilities	23	70,062,585	255,016,794
Long term loan - secured	24	318,819,789	647,716,085
Deferred tax liabilities	25	208,063,654	122,734,865
Deferred liabilities	26	403,793,433	528,770,871
		1,000,739,461	1,554,238,615
Current liabilities			
Trade and other payables	27	2,621,067,508	2,055,832,586
Contract liabilities	28	62,819,114	63,189,035
Unclaimed dividend		210,193,857	138,561,386
Unpaid dividend		-	111,299,848
Current portion of long term liabilities	29	196,306,054	342,116,387
Short term borrowings	30	750,000,000	163,894,091
		3,840,386,533	2,874,893,333
TOTAL EQUITY AND LIABILITIES		16,062,291,695	14,025,831,252
CONTINGENCIES AND COMMITMENTS			
	31		

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Statement of Profit or Loss

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Revenue from contracts with customers- net	32	23,195,152,022	19,424,254,601
Cost of revenue	33	(11,265,537,055)	(10,169,790,282)
Gross Profit		11,929,614,967	9,254,464,319
Distribution, selling and promotional expenses	34	(5,807,788,004)	(4,945,905,242)
Administrative and general expenses	35	(796,246,505)	(713,348,343)
Research and development expenses	36	(9,470,982)	(15,020,445)
Other operating expenses	37	(515,016,183)	(326,590,836)
		(7,128,521,674)	(6,000,864,866)
Profit from operations		4,801,093,293	3,253,599,453
Other income	38	432,258,886	185,459,364
Finance cost	39	(393,893,657)	(136,474,100)
Profit before income tax and levy		4,839,458,522	3,302,584,717
Levy	40	(19,902,052)	(17,634,232)
Profit before income tax		4,819,556,470	3,284,950,485
Taxation	41	(1,566,055,769)	(881,936,581)
Profit for the year		3,253,500,701	2,403,013,904
Earnings per share - basic and diluted	42	61.41	45.35

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Statement of Other Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Profit for the year		3,253,500,701	2,403,013,904
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus on property, plant and equipment	22	-	664,092,846
Related deferred tax on revaluation surplus	22	-	(114,269,159)
Effect of deferred tax due to change in effective tax rate	22	(7,711,645)	(7,163,751)
		(7,711,645)	542,659,936
Remeasurement loss or gain on gratuity - net	26.2.3	(52,166,835)	68,944,791
Related deferred tax	25.1	20,345,066	(25,474,135)
		(31,821,769)	43,470,656
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive (loss) / income for the year		(39,533,414)	586,130,592
Total comprehensive income for the year		3,213,967,287	2,989,144,496

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Statement of Cash Flow

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	6,671,837,325	2,975,964,057
Income tax paid		(1,440,862,409)	(1,056,274,457)
Gratuity paid		(61,708,571)	(36,831,974)
Finance cost paid		(417,489,800)	(136,474,368)
Workers' Welfare Fund paid		(37,691,307)	-
Workers' Profit Participation Fund paid		(439,932,183)	8,534,372
Loan to employees received / (paid) - net		5,374,942	(23,455,739)
Central Research Fund paid		(35,833,877)	(36,290,287)
		(2,428,143,205)	(1,280,792,453)
Net cash generated from operating activities	A	4,243,694,120	1,695,171,604
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(199,593,050)	(769,980,967)
Purchase of intangible assets		(25,417,036)	(4,494,980)
Long term deposits - net		(973,465)	24,233,160
Short term investments - net		(1,391,423,109)	(807,945,295)
Return on deposit		72,261,078	21,011,724
Loan repaid by subsidiary		10,000,000	-
Realised income on short term investment		79,159,430	-
Dividend income on short term investment		71,972,605	77,310,177
Proceeds from disposal of operating fixed assets	8.3.2	97,165,062	191,025,794
Net cash flows used in investing activities	B	(1,286,848,485)	(1,268,840,387)

Unconsolidated Statement of Cash Flow

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	23	(392,517,755)	(168,248,340)
Repayment of long term loan	24.1	(266,396,296)	(3,896,296)
Long term loan received	24.1	-	700,000,000
Dividend paid		(1,629,168,260)	(750,148,158)
Net cash flows used in financing activities	C	(2,288,082,311)	(222,292,794)
Net foreign exchange difference	D	-	13,585,346
Net increase in cash and cash equivalents	(A+B+C+D)	668,763,324	217,623,769
Cash and cash equivalents at beginning of the year		40,443,641	(177,180,128)
Cash and cash equivalents at end of the year	20.2	709,206,965	40,443,641

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For The Year Ended 31 December 2024

	Share capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed assets - net of deferred tax	General reserve	Unappropriated profit	Sub total	
	----- Rupees -----					
Balance as at January 01, 2023	418,840,820	366,714,040	114,000,000	6,545,681,588	6,659,681,588	7,445,236,448
Transaction with owners, recorded directly in equity						
Issuance of bonus shares @ 10%	41,884,080	-	-	(41,884,080)	(41,884,080)	-
Issuance of bonus shares @ 15%	69,108,730	-	-	(69,108,730)	(69,108,730)	-
Final dividend @ Rs. 20 per share for the year ended December 31, 2022	-	-	-	(837,681,640)	(837,681,640)	(837,681,640)
Total comprehensive income for the year ended December 31, 2023						
Profit for the year	-	-	-	2,403,013,904	2,403,013,904	2,403,013,904
Other comprehensive income for the year	-	542,659,936	-	43,470,656	43,470,656	586,130,592
	-	542,659,936	-	2,446,484,560	2,446,484,560	2,989,144,496
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(8,849,326)	-	8,849,326	8,849,326	-
Transfer of surplus on revaluation on disposal of operating fixed assets - net of tax	-	(1,185,209)	-	1,185,209	1,185,209	-
Balance as at December 31, 2023	529,833,630	899,339,441	114,000,000	8,053,526,233	8,167,526,233	9,596,699,304
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 30 per share for the year ended December 31, 2023	-	-	-	(1,589,500,890)	(1,589,500,890)	(1,589,500,890)
Total comprehensive income for the year ended December 31, 2024						
Profit for the year	-	-	-	3,253,500,701	3,253,500,701	3,253,500,701
Other comprehensive income for the year	-	(7,711,645)	-	(31,821,769)	(31,821,769)	(39,533,414)
	-	(7,711,645)	-	3,221,678,932	3,221,678,932	3,213,967,287
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(26,202,788)	-	26,202,788	26,202,788	-
Transfer of surplus on revaluation on disposal of operating fixed assets - net of tax	-	-	-	-	-	-
Balance as at December 31, 2024	529,833,630	865,425,008	114,000,000	9,711,907,063	9,825,907,063	11,221,165,701

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the repealed Companies Ordinance 1984 (now Companies Act, 2017) ("the Act") and its shares are quoted on Pakistan Stock Exchange (PSX) since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and related consumer products.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 17.5 km, Multan Road, Lahore.

The geographical locations and addresses of the Company's business units including production facilities are as under:

Business Units	Geographical Location	Address
Manufacturing facility	Lahore	17.5 KM, Multan Road, Lahore
Corporate Office	Lahore	Office# 901 Tricon Corporate Centre, Jail Road, Lahore.
Sales Office	Karachi	202 Anam Empire, Block 7/8 KCHS, Shahrah e Faisal, Karachi
Sales Office	Lahore	14-G, Block L, Gulberg - III, Lahore
Sales Office	Rawalpindi	132 Hali Road, Westridge - I, Peshawar Road, Rawalpindi

3. BASIS OF PRESENTATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for:

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

- the measurement of certain items of property, plant and equipment at revalued amounts;
- recognition of employee retirement benefits at present value; and
- certain foreign currency translation adjustments.

3.3 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost less accumulated impairment losses, if any; consolidated financial statements are presented separately.

The Company has following investment:

Company name	Country of incorporation	Percentage of shareholding	Nature of business
Subsidiary Curexa Health (Private) Limited	Pakistan	100%	The principal object is to carry out business as manufacturer and dealer of all kinds of pharmaceuticals.

3.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee ("Rs"), which is also the functional currency of the Company.

4. CHANGE IN ACCOUNTING POLICY

During the year, the Company change its accounting policy of recognizing the portion of income tax paid or payable for the year under the Income Tax Ordinance, 2001, not based on the taxable profit of the Company, as a Levy under IFRIC 21/IAS 37 instead of current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the unconsolidated financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year unconsolidated financial statements is immaterial and disclosed in note 40.

The Company has opted approach (b), which state that the final tax not based on taxable profit are recognized as levy in the unconsolidated statement of profit or loss.

5. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the unconsolidated financial statements other than certain additional disclosures.

Effective date:
(Annual periods
beginning on or after)

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective date:
(Annual periods
beginning on or after)

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented in these unconsolidated financial statements except as stated in note 4:

6.1 Leases

Company as lessee

The Company enters into lease arrangements principally in respect of plant and machinery, space for its operations and vehicles. The Company assesses at contract inception whether a contract is, or contains, a lease.

The Company applies a single recognition and measurement approach for all leases, except for Short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Company has used its incremental borrowing rate as the discount rate for leases where rate is not readily available.

The Company has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

6.2 Provisions and contingencies

Provisions are recognized in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions have been reviewed at reporting date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

6.3 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for all of its permanent employees who have joined on or before March 19, 2013, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service. This valuation is carried out by an independent actuary as at December 31, 2024 using the project unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. The latest valuation was carried out on December 31, 2024.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in the statement of profit or loss. Past service costs are immediately recognized in statement of profit or loss.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

6.4 Property, plant and equipment

Operating fixed assets

Property, plant and equipment except for freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and identified impairment loss. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price (less any identified impairment loss). Buildings on freehold land and plant and machinery are stated at revalued amount carried out by independent valuers by reference to current market price less accumulated depreciation (and any identified impairment loss). Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. Revaluation is carried out every three years or earlier as necessitated.

Surplus on revaluation has been recognized by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation was also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses.

Increase in the carrying amount arising on revaluation of property, plant and equipment has been recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, revaluation reserve relating to the particular assets being sold has been transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Depreciation on all property, plant and equipment, except freehold land is charged to unconsolidated statement of profit or loss on the reducing balance method so as to write-off the depreciable amount of an asset over its remaining estimated useful life after taking into account the impact of their residual value, if considered significant. The assets' residual values and useful lives have been reviewed at financial year-end.

6.5 Inventories

Stock in trade

Stock of raw and packing materials, work-in-process and finished goods, except for those in transit, have been valued by the Company principally at the lower of cost and net realizable value. Cost in relation to raw and packing materials has been measured at moving average cost. Work-in-process and finished goods have been measured by the Company at weighted average cost and cost comprises direct materials, labour and appropriate proportion of manufacturing overheads.

Stock in transit have been stated at invoice value plus other charges incurred thereon up to the reporting date.

Stores, spare parts and loose tools

Stores, spare parts, and loose tools are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

6.6 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances at banks, short term investments and outstanding balance of short term running finances.

6.7 Revenue from contracts with customers

The Company is in the business of providing (a) pharmaceutical products and (b) toll manufacturing services for pharmaceutical products to other pharmaceutical sector companies. Revenue from contracts with customers is recognised when control of the goods is transferred which generally coincides with the delivery of the goods to the customer for local sales at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Export goods are considered dispatched when bill of lading / airway bill is prepared for shipment to customers. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Bill and hold arrangement

Bill and hold arrangements are those in which the Company bills customer for a product that it retains physical possession of until it is shipped to the customer. This means that, although the customer has been billed, delivery is postponed at the request of the customer. In accordance with applicable accounting and financial reporting framework, the Company has recognized revenue from its bill and hold arrangements upon fulfilment of all of the following criteria:

- The reason for the bill and hold arrangement is substantive. This means that it has a practical necessity, such as the customer's lack of available space for the product or the customer's request for delayed delivery.
- The product is identified separately as belonging to the customer.
- The product currently is ready for physical transfer to the customer.
- The entity cannot use the product or direct it to another customer.

Accordingly, the Company's customer have taken control of the product, even as the Company has retained physical possession.

Toll manufacturing

There are contracts with customers to manufacture, on their behalf, the pharmaceutical products using raw material provided by the customer. The performance obligation is satisfied upon receipt of the finished goods by the customer and payment is generally due within 45 days from delivery. No significant financing component exist for these contracts. The Company concluded that it transfers control over its toll manufacturing services at a point in time, upon receipt of the product by the customer, because this is when the customer benefits from the Company's toll manufacturing services.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Refund liabilities and right to return

The Company's refund liabilities arise from customers' right of return. A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of consideration to which the Company will not be entitled. The Company updates its estimates of refund liabilities at the end reporting period. In general, the contracts for sales of goods provides a customer with a right to return near expiry products. For products that are expected to be returned, the Company recognizes a provision under refund liability netting off with trade receivables and a corresponding adjustment in sales return.

6.8 Taxation

a) Current Tax

Provision for current tax is based on taxable income for the year, determined in accordance with the provisions of the Income Tax Ordinance, 2001. The current tax charge is calculated using the applicable tax rates or the rates expected to apply to the year's profit if enacted, after considering available tax credits, rebates, and exemptions, if any. It also includes adjustments, where necessary, for prior years' tax provisions based on assessments finalized during the year.

b) Deferred Tax

For entities subject to normal tax and falls under approach (b), deferred tax is measured using the enacted or notified tax rate as per the application guidance on "IAS 37/IFRIC 21- IAS 12 – Accounting for Minimum and Final Taxes". Given the variability of the effective income tax rate, the Company reassesses its estimates for measuring deferred taxes in future periods, even if the enacted income tax rate remains unchanged.

6.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

6.10 Financial instruments

All financial assets and financial liabilities of the Company have been initially recognized when the Company became a party to the contractual provisions of the instruments.

6.10.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

6.10.2 Classification and subsequent measurement

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company's financial assets are measured subsequently at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, short term loans, security deposits, trade and other receivables and short term investments (i.e. Term deposit receipts).

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

The Company has classified all of its financial liabilities at initial recognition, as loans and borrowings and, payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

The Company's financial liabilities comprise trade and other payables, long term and short term borrowings and accrued markup.

6.10.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its unconsolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

Financial liability have been derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

6.10.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the unconsolidated statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.10.5 Impairment

Financial assets

The Company recognizes expected credit loss on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

6.11 Dividend

Dividend to shareholders is recognized as a liability in the period in which it is approved.

6.12 Deferred grants

Deferred grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to unconsolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

6.13 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

6.14 Foreign currency translation

Transactions denominated in foreign currencies are recorded in Pakistani Rupees at the foreign currency rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the reporting date. Exchange differences are taken to the statement of profit or loss.

6.15 Borrowing cost

Finance cost on long term liabilities / lease liabilities which are specifically obtained for the acquisition of qualifying assets i.e. assets that take a substantial period of time to get ready for their intended use, are capitalized up to the date of commissioning of respective asset. All other interest, mark-up and expenses are charged to unconsolidated statement of profit or loss in the period in which they are incurred.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

6.16 Earning Per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

6.17 Research and development Cost

The research and development costs are recognized as expenses as they are incurred, including costs related to salaries, materials, testing, and regulatory approvals. If development activities demonstrate technical feasibility and the potential to generate future economic benefits, related costs is capitalized and amortized over their useful life.

7. SIGNIFICANT ESTIMATES AND JUDGMENTS AND OTHER ACCOUNTING POLICY INFORMATION

7.1 Significant estimates and judgements

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's unconsolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
- Leases	23 and 6.1
- Staff retirement benefits	26 and 6.3
- Expected credit loss	14.1 and 6.10.5
- Taxation	41 and 6.8
- Revaluation of property, plant and equipment	22 and 6.4
- Refund liability	27 and 6.7

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

8.	PROPERTY, PLANT AND EQUIPMENT	Note	2024 Rupees	2023 Rupees
	Operating fixed assets			
	Right of use assets	8.3	3,080,711,613	2,229,754,900
	Capital work in progress	8.3	89,084,423	564,445,677
		8.4	177,078,595	722,025,038
			3,346,874,631	3,516,225,615
8.1	Depreciation charge has been allocated as under:			
	Cost of sale	33	177,465,641	131,312,351
	Distribution, selling and promotional expenses	34	91,890,320	59,524,867
	Administrative and general expenses	35	30,214,180	47,353,900
			299,570,141	238,191,118
8.2	The latest revaluation of freehold land, building on freehold land and plant and machinery was carried out on December 31, 2023 by M/S Surval (Valuer on the approved list of Pakistan Banking Association) which resulted in a surplus of Rs. 664.092 million over the net carrying value of assets.			
8.2.1	Had the assets not been revalued, the carrying values would have been:		2024 Rupees	2023 Rupees
	Land - freehold		328,334,371	13,989,289
	Building on freehold land		310,269,679	128,773,785
	Plant and machinery	8.2.2	814,965,035	609,739,773
			1,453,569,085	752,502,847
8.2.2	Below is the reconciliation of carrying value without impact of revaluation surplus:			
	Carrying value of assets:		968,840,082	654,495,000
	Land - freehold		431,831,654	265,029,000
	Building on freehold land		1,069,324,112	892,361,000
	Plant and machinery		2,469,995,848	1,811,885,000
	Less: Revaluation surplus		(865,425,008)	(899,339,441)
	Less: Related deferred tax		(151,001,755)	(160,042,712)
			(1,016,426,763)	(1,059,382,153)
	Carrying value without revaluation surplus		1,453,569,085	752,502,847

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

8.3 Operating fixed assets

Reconciliation of the carrying amounts at the beginning and end of the year is as follows:

DESCRIPTION	2024							Rate	
	Cost/revalued amount			Accumulated depreciation					
	As at 01 January	Additions / Transfers	Disposals	As at 31 December	As at 01 January	Depreciation charge for the year	(Disposal) / Transfers		As at 31 December
----- Rupees -----									
Land - freehold	654,495,000	314,345,082	-	968,840,082	-	-	-	-	968,840,082
Building on freehold land	1,029,032,700	204,081,314	-	1,233,114,014	764,003,700	37,278,660	-	801,282,360	431,831,654
Leasehold improvement	49,404,232	-	-	49,404,232	18,800,699	6,120,707	-	24,921,406	24,482,826
Plant and machinery	1,949,971,237	130,126,332	-	2,247,900,507	1,057,610,237	94,552,091	-	1,178,576,395	1,069,324,112
		167,802,938					26,414,067		
Laboratory equipment	124,869,284	11,230,349	-	136,099,633	44,747,255	9,902,355	-	54,649,610	81,450,023
Furniture and fixtures	62,724,486	11,621,324	-	74,345,810	34,249,275	4,170,269	-	38,419,544	35,926,266
Electric and gas appliances	57,621,504	2,117,932	-	59,739,436	32,832,302	2,594,367	-	35,426,669	24,312,767
Office equipment	128,282,693	21,623,088	(949,200)	148,956,581	83,262,590	14,747,216	(277,498)	97,732,308	51,224,273
Vehicles-owned	370,458,232	301,263,459	(55,735,098)	615,986,593	161,598,410	38,350,447	(24,474,960)	222,666,983	393,319,610
							47,193,086		
Right-of-use assets (8.3.1):	4,426,859,368	1,164,211,818	(56,684,298)	5,534,386,888	2,197,104,468	207,716,112	48,854,695	2,453,675,275	3,080,711,613
Plant and machinery	167,000,064	37,802,872	-	36,999,998	2,283,489	24,438,911	(26,414,067)	308,333	36,691,665
		(167,802,938)							
Vehicles-leased	357,385,995	11,591,200	(39,984,695)	27,729,041	20,549,350	35,547,127	(2,542,642)	6,360,749	21,368,292
		(301,263,459)					(47,193,086)		
Buildings	170,728,316	-	-	170,728,316	107,835,859	31,867,991	-	139,703,850	31,024,466
	695,114,375	(419,672,325)	(39,984,695)	235,457,355	130,668,698	91,854,029	(76,149,795)	146,372,932	89,084,423
Total	5,121,973,743	744,539,493	(96,668,993)	5,769,844,243	2,327,773,166	299,570,141	(27,295,100)	2,600,048,207	3,169,796,036

8.3.1 The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from subleasing the leased assets. There are several lease contracts that include termination options which are not significant to these unconsolidated financial statements.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

2023												
DESCRIPTION	Cost/revalued amount					Accumulated depreciation					Net book value as at 31 December	Rate
	As at 01 January	Additions / Transfers	Revaluation	Disposals	As at 31 December	As at 01 January	Depreciation charge for the year	(Disposal) / Transfers	Revaluation Surplus	As at 31 December		
----- Rupees -----												
Land - freehold	283,400,000	-	371,095,000	-	654,495,000	-	-	-	-	-	-	654,495,000
Building on freehold land	758,962,795	107,809,992	254,531,090	(92,271,177)	1,029,032,700	554,192,259	40,045,799	(19,210,563)	188,976,205	764,003,700		265,029,000
Leasehold improvement	49,404,232	-	-	-	49,404,232	11,149,816	7,650,883	-	-	18,800,699		30,603,533
Plant and machinery	1,119,675,769	212,701,807	497,004,277	(67,403,389)	1,949,971,237	739,290,449	44,711,564	(10,052,549)	269,561,315	1,057,610,237		892,361,000
		187,992,773						14,099,458				
Laboratory equipment	107,425,393	17,443,891	-	-	124,869,284	35,898,391	8,848,864	-	-	44,747,255		80,122,029
Furniture and fixtures	61,449,742	1,274,744	-	-	62,724,486	29,888,971	4,360,304	-	-	34,249,275		28,475,211
Electric and gas appliances	61,753,159	15,972,899	-	(20,104,554)	57,621,504	30,265,351	4,353,716	(1,786,765)	-	32,832,302		24,789,202
Office equipment	132,736,504	18,666,495	-	(23,120,306)	128,282,693	73,719,597	14,392,477	(4,849,484)	-	83,262,590		45,020,103
Vehicles-owned	312,188,440	67,993,606	-	(29,201,700)	370,458,232	133,874,416	46,195,284	(18,958,237)	-	161,598,410		208,859,822
		19,477,886						486,947				
Right-of-use assets :	2,886,996,034	649,334,093	1,122,630,367	(232,101,126)	4,426,859,368	1,608,279,250	170,558,891	(40,271,193)	458,537,520	2,197,104,468		2,229,754,900
Plant and machinery	187,992,773	167,000,064	-	-	167,000,064	-	16,382,947	(14,099,458)	-	2,283,489		164,716,575
		(187,992,773)										
Vehicles-leased	75,367,000	301,496,881	-	-	357,385,995	1,655,008	19,381,289	(486,947)	-	20,549,350		336,836,645
		(19,477,886)										
Buildings	170,728,316	-	-	-	170,728,316	75,967,868	31,867,991	-	-	107,835,859		62,892,457
	434,088,089	261,026,286	-	-	695,114,375	77,622,876	67,632,227	(14,586,405)	-	130,668,698		564,445,677
Total	3,321,084,123	910,360,379	1,122,630,367	(232,101,126)	5,121,973,743	1,685,902,126	238,191,118	(54,857,598)	458,537,520	2,327,773,166		2,794,200,577

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

8.3.2 Disposal of property, plant and equipment

Description		Cost / Revalued amount	Accumulated Depreciation	Net Book Value	Sales Proceeds	Gain	Mode of Sale	Particulars of Purchasers
----- Rupees -----								
Building Equipment	Reg. No							
Alto-1- Fin-Auc-Ve001	ABV 592	1,335,000	485,940	849,060	986,806	137,746	As per the Company policy	Fazal Akbar
Suzuki Cultus Vxr	LE-19A-7325	1,745,000	1,202,356	542,644	1,117,555	574,911	As per the Company policy	M. Shahab
Suzuki Alto	AFM 624	1,368,155	606,366	761,789	965,572	203,783	As per the Company policy	Shakir Ali
Suzuki Alto	(ACB 471)	1,433,000	758,917	674,083	1,098,574	424,491	As per the Company policy	M. Rizwan
Suzuki Alto	(ABF 341)	1,433,000	772,674	660,326	981,289	320,963	As per the Company policy	Ayaz Khan
Suzuki Cultus	LEA-20-6706	1,745,000	1,074,920	670,080	1,141,200	471,120	As per the Company policy	Alamzaib Khan
Suzuki Alto	AFU 686	1,368,155	593,232	774,923	978,204	203,281	As per the Company policy	Jawad Sohail
Suzuki Cultus	LEA-20-7488	1,745,000	1,076,161	668,839	1,254,132	585,293	As per the Company policy	M.Tahir Mehmood
Suzuki Alto	AFU 285	1,368,155	593,232	774,923	974,389	199,466	As per the Company policy	Waheed Ahmed
Suzuki Alto	AAC 970	1,398,000	807,485	590,515	945,821	355,306	As per the Company policy	Baqir Fayaz
Suzuki Alto	AFR 467	1,335,000	485,940	849,060	914,331	65,271	As per the Company policy	M Attiq
Suzuki Alto	AFS 195	1,368,155	606,366	761,789	950,943	189,154	As per the Company policy	M Ahmad
Suzuki Motor Car	ADW 345	1,394,881	726,578	668,303	1,087,348	419,045	As per the Company policy	Hazrat Ali
Suzuki Motor Car	ADX 641	1,394,881	590,190	804,691	2,210,000	1,405,309	Market Sale	Moin Akram
Suzuki Alto	AMW 962	1,986,000	423,680	1,562,320	2,350,000	787,680	Market Sale	Muhammad Naeem
Toyota Fortuner Sigma	AFD-261	14,188,695	1,770,442	12,418,253	14,800,000	2,381,747	Market Sale	Amir Doger
Suzuki Alto	AFU 524	1,368,155	521,480	846,675	2,165,000	1,318,325	Market Sale	Moin Akram
Suzuki Motor Car	ADW 260	1,729,743	731,873	997,870	2,797,000	1,799,130	Market Sale	Malik Irfan
Suzuki Alto	AFS 468	1,368,155	634,581	733,574	2,121,000	1,387,426	Market Sale	Agha Ali Jaffari
Suzuki Cultus	AMW 956	2,774,000	850,693	1,923,307	2,757,000	833,693	Market Sale	Agha Ali Jaffari
Suzuki Alto	ALD 433	1,553,500	566,164	987,336	1,800,000	812,664	Market Sale	Reliance Insurance
Suzuki Wagon-R Vxl	AQK 421	3,432,000	257,400	3,174,600	3,432,000	257,400	Market Sale	Naseer Autos
Suzuki Wagon-R Vxl	AQH 161	3,432,000	257,400	3,174,600	3,432,000	257,400	Market Sale	Naseer Autos
Suzuki Wagon-R Vxl	AQH 862	3,432,000	257,400	3,174,600	3,432,000	257,400	Market Sale	Naseer Autos
Toyota Fortuner	AKC 705	15,500,000	-	15,500,000	16,700,000	1,200,000	Market Sale	Mohsin Gujjar
Suzuki Alto	LEB-20-7754	1,398,000	850,431	547,569	1,553,500	1,005,931	Sale	First Habib Modaraba
Suzuki Alto	AKQ 391	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	AKQ 260	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	AKX 676	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	APM 392	2,622,000	579,025	2,042,975	2,622,000	579,025	Sale	First Habib Modaraba
Suzuki Alto	APM 254	2,622,000	579,025	2,042,975	2,622,000	579,025	Sale	First Habib Modaraba
Suzuki Alto	ANV 347	1,986,000	522,980	1,463,020	1,986,000	522,980	Sale	First Habib Modaraba
Suzuki Alto	ALD 620	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	AAC 872	1,398,000	840,291	557,709	1,405,500	847,791	Sale	First Habib Modaraba
Suzuki Alto	ADW 613	1,729,743	867,178	862,565	1,744,743	882,178	Sale	First Habib Modaraba
Suzuki Alto	AAK 845	1,398,000	820,011	577,989	1,405,500	827,511	Sale	First Habib Modaraba
Suzuki Cultus	AEM 833	1,766,920	837,755	929,165	1,744,743	815,578	Sale	First Habib Modaraba
Suzuki Alto	ABC 481	1,433,000	819,753	613,247	1,440,500	827,253	Sale	First Habib Modaraba
Items having NBV less than Rs.500,000 each		2,905,700	1,586,572	1,319,128	3,034,412	1,715,284		
2024		96,668,993	(27,295,100)	69,373,894	97,165,062	27,791,168		
2023		232,101,125	(54,857,597)	177,243,528	191,025,794	13,782,266		

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

8.3.3 Particulars of immovable assets of the Company are as follows:

Location and address	Usage of immovable property	Land area (kanal)	Coverage area (sqr.ft)
Land: Situated at 17.5 KM Multan Road Hadbast Mouza Kanjra, Tehsil and District Lahore.	Manufacturing facility	43.6	237,402
Land: Situated at Plot No. 173-B, 186-B and 187-B, Quaid-e-Azam Business Park, Sheikhpura.	Land purchased for new Manufacturing facility.	96.0	432,547

8.4 Capital work in progress

Movement in capital work in progress is as follows:

	Land		Plant and Machinery		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Opening balance	269,416,665	162,666,666	40,855,392	5,199,134	411,752,981	255,564,218	722,025,038	423,430,018
Additions during the year	44,928,417	106,749,999	101,303,393	248,358,065	90,352,559	853,847,335	236,584,369	1,208,955,399
Transferred to owned assets / reclassification to advances	(314,345,082)	-	(141,700,623)	(212,701,807)	(325,485,107)	(697,658,572)	(781,530,812)	(910,360,379)
	-	269,416,665	458,162	40,855,392	176,620,433	411,752,981	177,078,595	722,025,038

This include transfer of advance against solar power equipment related to Curexa Health (Private) Limited to other receiveable amounting to Rs. 11.574 million.

9 INTANGIBLE ASSETS	Note	2024 Rupees	2023 Rupees
Intangible assets	9.1	46,866,785	32,285,579

9.1	2024							
	Cost			Accumulated amortization				
	As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December	Book value as at 31 December	Rate
	----- Rupees -----							
Registration and trademark (9.1.1)	154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software (9.1.2)	42,066,480	25,417,036	67,483,516	9,780,901	10,835,830	20,616,731	46,866,785	20%
	196,500,655	25,417,036	221,917,691	164,215,076	10,835,830	175,050,906	46,866,785	

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	2023							
	Cost			Accumulated amortization				
Particulars	As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December	Book value as at 31 December	Rate
	----- Rupees -----							
Registration and trademark (9.1.1)	ERP software (9.1.2)	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software (18.1.2)	37,571,500	4,494,980	42,066,480	1,736,104	8,044,797	9,780,901	32,285,579	20%
	192,005,675	4,494,980	196,500,655	156,170,279	8,044,797	164,215,076	32,285,579	

9.1.1 This represents registration and trademarks of brands named as "Tres Orix Forte", "Skilax Drops" and "Blokium". These are fully amortized and are still in use.

9.1.2 ERP software represents the cost incurred on the implementation of IT software SAP S/4 HANA and fee for license paid to Systems Limited for the period of 5 years.

9.2 Amortization charge has been allocated as under:	Note	2024	2023
		Rupees	Rupees
Cost of sale	33	6,304,470	5,464,541
Distribution, selling and promotional expenses	34	775,562	122,633
Administrative and general expenses	35	3,755,798	2,457,623
		10,835,830	8,044,797

10 LONG TERM INVESTMENT

Subsidiary Company - unlisted

Curexa Health (Private) Limited	10.1	200,000,000	200,000,000
---------------------------------	------	-------------	-------------

10.1 This represents 100% (2023: 100%) shares in the Company's subsidiary Curexa Health (Private) Limited, a private limited company incorporated under the Companies Act, 2017 which has a principal objective to carry out business as manufacturer and dealer of all kinds of pharmaceuticals. The registered office and manufacturing facility of the Company is situated at 517 - Sundar Industrial Estate, Raiwind, Lahore. The Company's interest in Curexa Health (Private) Limited is recorded at cost in these unconsolidated financial statements.

11 LONG TERM DEPOSITS	Note	2024	2023
		Rupees	Rupees
Bank guarantee margin		1,602,710	1,602,710
Deposits with vendors	11.1	23,314,184	22,340,719
		24,916,894	23,943,429

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

- 11.1** Deposits with vendors are non-adjustable and are refundable after the contract with the service providers are concluded. The impact of initial recognition of long term deposits at fair value under IFRS 9 is not significant to these unconsolidated financial statements.

		2024 Rupees	2023 Rupees
12 LOAN TO EMPLOYEES			
Loan to employees - secured	12.1	73,832,905	79,207,847
Less: current portion	15	(9,933,376)	(22,977,780)
		63,899,529	56,230,067

- 12.1** These represent loan given to employees against the purchase of vehicles as per the Company's policy. These loans are for maximum period of 5 years. These loans are secured against the final settlement amount of employees. The loans carry an effective interest rate of 0% (2023: 0%) per annum and are repayable in cash in accordance with predefined repayment schedule. Present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of loan to employees is considered insignificant by the management at the financial statements level, hence not recognized.

	Note	2024 Rupees	2023 Rupees
13 INVENTORIES			
Raw materials			
In hand		1,987,657,055	2,190,159,412
In transit		158,618,913	611,931,551
With third party		158,952,120	133,122,397
		2,305,228,088	2,935,213,360
Packing material		748,530,418	718,868,006
Stores, spare parts and loose tools		81,173,502	63,451,738
Work in progress		451,785,182	252,216,352
Finished goods			
Trading - in hand		81,276,281	143,427,588
Manufactured		661,955,592	788,181,310
	13.2	743,231,873	931,608,898
Provision for slow moving and obsolete items	13.1	(194,124,310)	(187,606,909)
		4,135,824,753	4,713,751,445

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
13.1 Provision for slow moving and obsolete items			
Opening provision		187,606,909	120,468,378
Charge for the year		73,693,481	91,159,156
Reversal during the year		(67,176,080)	(24,020,625)
Closing provision		194,124,310	187,606,909

13.2 The finished goods are recorded at lower of cost and net realisable value which has resulted in impairment loss amounting to Rs. 17.49 million (2023: Rs. 36.3 million) recorded in cost of sales.

	Note	2024 Rupees	2023 Rupees
14 TRADE RECEIVABLES			
Export Sales		120,550,269	865,189
Local Sales		2,248,836,211	2,141,926,411
		2,369,386,480	2,142,791,600
Less: allowance for expected credit losses	14.1	(57,645,999)	(22,372,807)
	14.2	2,311,740,481	2,120,418,793

14.1 Allowance for expected credit losses:

Opening balance		22,372,807	52,085,768
Charge / (reversal) during the year	37	35,273,192	(29,712,961)
		57,645,999	22,372,807

14.2 Trade receivables become due after 30 to 45 days of the invoice date. Generally, balances outstanding for more than 360 days are treated as default.

		2024 Rupees	2023 Rupees
15 ADVANCES, TRADE DEPOSITS AND PREPAYMENTS			
Advances to staff			
- against expenses	15.1	30,479,190	142,431,648
- against salary	15.2	26,014,292	8,219,698
- current portion of advances against vehicles	12	9,933,376	22,977,780
		66,426,858	173,629,126
Advance to suppliers against goods and services		373,078,601	227,938,803
Margin against letter of credit		32,845,782	115,513,286
Trade deposits		23,831,298	25,618,887
Prepayments		39,802,494	32,839,392
		535,985,033	575,539,494

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

15.1 Advances to staff provided to meet business expenses are settled as and when the expenses are incurred.

15.2 Advances to staff are interest free and settled against immediate salary. These advances are secured against final settlement of staff provident fund. Present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of loan to employees is considered insignificant by the management at the financial statements level, hence not recognized.

			2024	2023
16	OTHER RECEIVABLES	Note	Rupees	Rupees
	Receivable from:			
	Curexa Health (Private) Limited (subsidiary company)	16.1	11,574,290	2,575,244
			11,574,290	2,575,244
	Interest accrued	16.2	19,979,979	8,937,542
	Sales tax recoverable		111,687,167	107,401,766
	Others		5,269,450	3,630,557
			148,510,886	122,545,109

16.1 This represent receivable against transfer of Solar 50 Kw during the year. The maximum amount due during the year was Rs. 11.574 million (2023: Rs. 2.575 million) as disclosed in note 8.4.

16.2 This includes mark up amounting to Rs. nil (2023: Rs. 1.05 million) receivable from the subsidiary company against loan. The maximum amount due during the year was Rs. 1.36 million. The interest accrued has been received during the year.

			2024	2023
17	LOAN TO SUBSIDIARY	Note	Rupees	Rupees
	Loan to subsidiary	17.1	-	10,000,000

17.1 The loan has been provided to Curexa Health (Private) Limited (subsidiary company) for working capital requirement of its cephalosporin unit. The loan carries a mark up of 6 months KIBOR plus 1.25%. A promissory note representing loan is delivered as security. The maximum aggregate amount due from the subsidiary calculated with reference to month end balances was nil (2023: Rs. 10 million). The tenure of this one year loan ended and has been repaid during the year.

			2024	2023
18	SHORT TERM INVESTMENTS	Note	Rupees	Rupees
	Mutual funds - fair value through profit and loss	18.1	3,471,920,933	1,699,124,325
	Term deposit receipts - at amortized cost	18.2	166,929,713	469,669,677
			3,638,850,646	2,168,794,002

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
18.1	These investments are measured at fair value through profit and loss:		
Balance at the beginning of the year		1,699,124,325	1,193,596,924
Additions during the year		4,383,230,301	2,387,312,516
Redemption during the year		(2,847,386,088)	(1,900,167,715)
Realized gain / (loss) on redemption of investments during the year	38	79,159,430	(3,578,879)
Unrealized gain on remeasurement of investments during the year	38	157,792,965	21,961,479
Closing fair value of short term investment		3,471,920,933	1,699,124,325

	Units		Fair Value	
	2024 Numbers	2023 Numbers	2024 Rupees	2023 Rupees
18.1.1 Mutual fund wise detail is as follows:				
Alfalah GHP Money Market Fund	4,836,803	519,111	520,888,356	51,438,071
Alfalah GHP Sovereign Fund	-	832,445	-	100,101,725
MCB Cash Management Optimizer Fund	1,934,218	846,453	215,329,898	86,119,069
Faysal Money Market Fund	2,283	2,283	303,365	262,238
NBP Money Market Fund	47,882	31,494	522,825	315,194
NBP Financial Sector Income Fund	10,542,234	9,673,984	122,532,634	103,093,716
UBL Money Market Fund	2,334,503	-	256,261,836	-
UBL Liquidity Plus Fund	1,186	1,233,476	130,968	125,279,559
UBL Government Securities Fund	-	1,277,198	-	150,136,405
UBL Income Opportunity Fund	-	4,150,410	-	509,258,223
UBL Al Amin Shariah Fund	7	-	2,944	-
NIT Social Impact Fund	40,583,318	-	450,313,164	-
NIT Government Bond Fund	52,329,614	-	575,819,378	-
NIT Income Fund	4,492,565	-	50,000,000	-
NIT Money Market Fund	-	10,608,361	-	103,139,785
Pak Qatar Income Plan	3,458,519	-	385,598,185	-
HBL Money Market Fund	5,506	4,669	618,572	531,713
ABL Government Securities Funds B	11	-	124	-
ABL Fixed Rate Plan VIII	10,000,000	-	105,783,000	-
	Units		Fair Value	

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	2024 Numbers	2023 Numbers	2024 Rupees	2023 Rupees
ABL Fixed Rate Plan XII	53,148,656	-	538,395,881	-
ABL Special Savings	-	10,548,675	-	117,724,267
ABL Cash Fund	3,675	-	41,029	-
Atlas Money Market Fund	-	199,611	-	102,148,457
JS Cash Fund	515	515	63,251	53,277
AL Habib Income Fund	1,069,540	980,325	119,084,173	100,055,094
Lakson Money Market Fund	-	1,015,046	-	105,612,054
Lakson Income Fund	1,154,350	408,898	130,231,350	43,855,478
	185,945,385	42,332,954	3,471,920,933	1,699,124,325

18.2 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 11.25% to 21% (2023: 16% - 22%) with maturity up to August 2025.

19	TAX REFUNDS DUE FROM THE GOVERNMENT	Note	2024 Rupees	2023 Rupees
	Sales tax refundable - net		222,497,425	239,319,151
	Provision against sales tax refundable	19.1	(88,092,012)	-
			134,405,413	239,319,151
	Income tax refundable - net		15,209,679	42,440,836
			149,615,092	281,759,987

19.1 Provision against sales tax refundable

	Opening balance		-	-
	Charge for the year	37	88,092,012	-
			88,092,012	-

20. CASH AND BANK BALANCES

	Cash in hand			
	Balance with banks		630,394	4,656,752
	Current accounts			
	-Local currency		1,035,137,688	101,099,550
	-Foreign currency		75,337,262	68,930,604
	Saving accounts	20.1	348,101,621	29,650,826
			1,458,576,571	199,680,980
			1,459,206,965	204,337,732

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

20.1 These represents savings accounts which carries average profit at the rate of ranging from 9.21% to 20.10% (2023: 7.51% to 20.51%).

20.2 Cash and cash equivalents

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

	Note	2024 Rupees	2023 Rupees
Cash and bank balances		1,459,206,965	204,337,732
Short - term borrowings	30	(750,000,000)	(163,894,091)
Cash and cash equivalents as per statement of cashflows		709,206,965	40,443,641

21 SHARE CAPITAL

Authorized share capital

100,000,000 (2023: 100,000,000) ordinary shares of

Rs. 10 each

1,000,000,000 1,000,000,000

21.1 Issued, subscribed and paid up share capital

5,905,000 (2023: 5,905,000) ordinary shares of Rs. 10

each fully paid in cash

59,050,000 59,050,000

95,000 (2023: 95,000) ordinary shares of Rs.10 each

issued for consideration other than cash

21.1.1 950,000 950,000

46,983,363 (2023: 46,983,363) ordinary shares of Rs. 10

each issued as bonus shares

469,833,630 469,833,630

529,833,630 529,833,630

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

21.1.2 Reconciliation of issued share capital:

	2024 Number	2023 Number	2024 Rupees	2023 Rupees
Balance as at January 01, 2024	52,983,363	5,000,000	529,833,630	50,000,000
Bonus shared of Rs. 10 each as				
at 01 January	-	36,884,082	-	368,840,820
Issuance of bonus shares of Rs. 10 each	-	11,099,281	-	110,992,810
Balance as at December 31, 2024	52,983,363	52,983,363	529,833,630	529,833,630

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

21.3 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. The shareholders of the Company do not have any agreements for voting rights, board selection, rights of first refusal, and block voting.

		2024	2023
	Note	Rupees	Rupees
22. REVALUATION SURPLUS ON OPERATING FIXED ASSETS			
Opening balance of gross surplus on revaluation of fixed assets		1,059,382,153	410,958,473
Addition during the year		-	664,092,846
Surplus on revaluation of operating fixed assets relating to disposal of plant and machinery - transferred to unappropriated profits		-	(1,634,068)
Incremental depreciation relating to surplus on revaluation of fixed assets - transferred to unappropriated profits		(42,955,390)	(14,035,098)
		1,016,426,763	1,059,382,153
Less related deferred tax liability on:			
Balance at the beginning of the year		160,042,712	44,244,433
Related deferred tax on additions during the year		-	114,269,159
Effect of deferred tax due to change in effective tax rate		7,711,645	7,163,751
Surplus on revaluation of operating fixed assets relating to disposal of plant and machinery - transferred to unappropriated profits		-	(448,859)
Incremental depreciation relating to surplus on revaluation of operating fixed assets - transferred to unappropriated profits		(16,752,602)	(5,185,772)
		151,001,755	160,042,712
Closing balance of surplus on revaluation of fixed assets	22.1	865,425,008	899,339,441

22.1 The latest revaluation of freehold land, building on freehold land and plant and machinery was carried out on December 31, 2023 by M/S Surval (Valuer on the approved list of Pakistan Banking Association) which resulted in a surplus of Rs. 664 million. The surplus on revaluation of freehold land, building on freehold land and plant and machinery is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017. For details of related fair value determination, refer to Note 48.2 of these unconsolidated financial statements.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
23	LEASE LIABILITIES	Note	Rupees
	Present value of lease payments		528,560,365
	Less: Current portion shown under current liabilities	29	(273,543,571)
			70,062,585
			255,016,794

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024			
	Rupees			
	Building	Vehicles	Plant and Machinery	Total
As at January 01,	182,553,545	233,374,726	112,632,094	528,560,365
Additions	-	67,224,550	37,000,000	104,224,550
Accretion of interest	16,533,888	43,593,946	9,599,182	69,727,016
Payments	(148,284,241)	(292,253,804)	(125,931,276)	(566,469,321)
As at December 31,	50,803,192	51,939,418	33,300,000	136,042,610

	2023			
	Rupees			
	Building	Vehicles	Plant and Machinery	Total
As at January 01,	124,841,368	41,497,713	91,675,000	258,014,081
Additions	90,267,333	235,895,465	112,632,094	438,794,892
Accretion of interest	13,193,742	29,770,022	10,302,444	53,266,208
Payments	(45,748,898)	(73,788,474)	(101,977,444)	(221,514,816)
As at December 31,	182,553,545	233,374,726	112,632,094	528,560,365

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024	2023
23.1	Rupees	Rupees
Maturity analysis of lease liabilities:		
Within one year	82,484,990	197,327,913
After one year but not more than five years	84,450,783	446,666,984
More than five years	-	32,562,370
Finance cost	(30,893,163)	(147,996,902)
Total lease liabilities	136,042,610	528,560,365

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

23.2 Salient features of the leases are as follows:

- Discounting factor	8.94% - 23.84%	8.94% - 23.65%
- Lease term	24 to 120 Months	24 to 120 Months

	Note	2024 Rupees	2023 Rupees
23.3 Amount recognised in statement of profit or loss			
Interest expense on lease liabilities	39	69,727,016	53,266,208
Expenses related to short term leases		107,976,674	41,037,823
Total amount recognised in statement of profit or loss		177,703,690	94,304,031

24 LONG-TERM LOAN - SECURED

Long term loans	24.1	447,716,085	714,112,381
Less: Current portion shown under current liabilities	29	(128,896,296)	(66,396,296)
		318,819,789	647,716,085

24.1 The movement of long term loan is as follows:

Opening balance as at 01 January	24.1.2	714,112,381	18,008,677
Loan obtained during the year	24.1.1	-	700,000,000
Principal payments made during the year		(266,396,296)	(3,896,296)
		447,716,085	714,112,381
Less: Current portion shown under current liabilities		(128,896,296)	(66,396,296)
Closing balance as at 31 December		318,819,789	647,716,085

24.1.1 The loans include two facilities amounting to Rs. 200 million and Rs. 500 million with maturity date of October 23, 2028 and June 05, 2028. These loans were obtained during 2023 from Meezan Bank Limited to meet the long term financing needs and carries markup at the rate of 3 month KIBOR + 0.1% per annum, repayable in 16 equal quarterly instalments commenced after a grace period of one year. However the facility of Rs. 200 million has been early settled during the year. This facility is secured against first pari passu charge over all present and future plant and machinery.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

24.1.2 This includes loan obtained from MCB Bank Limited with maturity date of June 10, 2029 under facility for setting up solar based power project under SBP financing scheme for renewable energy having sanctioned limit of Rs. 50 million (2023: Rs. 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2023: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual funds up to Rs. 67 million placed in MCB Investment Management Limited. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3M KIBOR at respective draw down date. The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

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

		2024 Rupees	2023 Rupees
25 DEFERRED TAX LIABILITIES	Note		
Deferred tax liabilities - net	25.1	208,063,654	122,734,865
Deferred tax liabilities on taxable temporary differences:			
Surplus on revaluation of operating fixed assets		146,609,210	154,768,981
Accelerated tax depreciation		333,811,106	156,595,223
Lease arrangement - net		-	13,259,120
		480,420,316	324,623,324
Deferred tax assets on deductible temporary differences:			
Allowance for expected credit losses		(22,481,940)	(8,266,439)
Lease arrangement - net		(18,313,693)	
Provision for gratuity		(155,852,548)	(193,622,020)
Provision for inventories		(75,708,481)	-
		(272,356,662)	(201,888,459)
Deferred tax liabilities		208,063,654	122,734,865

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024 Rupees	2023 Rupees
25.1 Movement of deferred grant is as follows:	Note		
As at January 01,		122,734,865	(34,531,275)
Recognized as deferred tax expense / (income) in unconsolidated statement of profit or loss:			
Surplus on revaluation of operating fixed assets		(15,871,416)	(10,908,362)
Accelerated tax depreciation on fixed assets		177,215,883	7,590,341
Lease liabilities		(31,572,813)	(13,946,977)
Provisions		(75,708,481)	74,582,638
Allowance for expected credit losses		(14,215,501)	8,014,322
Gratuity		58,114,538	(54,972,867)
		97,962,210	10,359,095
		220,697,075	(24,172,180)
Recognized as deferred tax expense in unconsolidated statement of comprehensive income:			
Gratuity		(20,345,066)	25,474,135
Surplus on revaluation on operating fixed assets		-	114,269,159
Effect of deferred tax due to change in effective tax rate		7,711,645	7,163,751
		(12,633,421)	146,907,045
		208,063,654	122,734,865
26 DEFERRED LIABILITIES			
Deferred grant	26.1	4,171,514	4,740,137
Gratuity	26.2	399,621,919	524,030,734
		403,793,433	528,770,871
26.1 Movement of deferred grant is as follows:			
Opening balance as at January 01,		6,916,657	8,232,117
Grant income recognized during the year	38	(1,315,410)	(1,315,460)
Closing balance as at December 31,		5,601,247	6,916,657
Less: Current portion shown under current liabilities	29	(1,429,733)	(2,176,520)
Non current portion		4,171,514	4,740,137

26.2 As discussed in Note 6.3, the Company operates an unfunded gratuity scheme for its employees, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Present value of defined benefit obligation	26.2.1	399,621,919	524,030,734

26.2.1 Movement in the present value of define benefit obligation:

Opening balance as at January 01,		524,030,734	525,066,824
Current service cost		30,487,822	32,542,931
Interest cost on defined benefit obligation		78,908,232	72,197,744
Benefits paid during the year		(55,378,631)	(31,791,657)
Gains on plan curtailment	26.2.9	(224,263,133)	-
Charge to other comprehensive income		52,166,835	(68,944,791)
		405,951,859	529,071,051
Less: balance due but not paid		(6,329,940)	(5,040,317)
Closing balance as at 31 December		399,621,919	524,030,734

26.2.2 (Reversal) / expense recognized in statement of profit or loss:

Current service cost		30,487,822	32,542,931
Interest cost		78,908,232	72,197,744
Gains arising on plan curtailment		(224,263,133)	-
		(114,867,079)	104,740,675

26.2.3 Remeasurement gain recognized in other comprehensive income:

Actuarial losses and (gain) from changes in financial assumptions		35,969,175	(76,584,045)
Experience adjustments		16,197,660	7,639,254
		52,166,835	(68,944,791)

26.2.4 Historical information for gratuity plan

	2024	2023	2022	2021	2020
	-----Rupees-----				
Present value of defined benefit obligation	399,621,919	524,030,734	525,066,824	546,646,832	525,419,561
Remeasurement adjustment arising on plan liabilities	52,166,835	(68,944,791)	(46,524,657)	17,177,141	63,821,894
Remeasurement adjustment as percentage of outstanding liability	13.05%	-13.74%	-8.86%	3.14%	12.15%

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

The projected unit credit method with the following significant assumptions was used for the valuation of this scheme:

	2024	2023
Discount rate used for interest cost	16.00% p.a.	14.25% p.a.
Discount rate used for year end obligation	12.25% p.a.	16.00% p.a.
Expected rate of increase in salary	10.50% p.a.	12.00% p.a.
Expected average remaining working life time	6 years	6 years
Mortality rates	SLIC	SLIC
	2001-2005	2001-2005

26.2.5 Estimated expense of current service and interest cost on defined benefit obligation to be charged to statement of profit or loss for the year ending December 31, 2024 amounts to Rs. 30.487 million and Rs. 78.908 million respectively, while gain arising on plan curtailments amount to Rs. 224.263 million, resulting in a net gain of Rs. 114.867 million to be reflected in Profit and Loss.

26.2.6 Sensitivity analysis

Significant assumptions for the determination of the defined benefit plan obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	2024 Rupees	2023 Rupees
Discount rate + 100 bps	131,691,492	492,424,385
Discount rate - 100 bps	149,882,941	559,172,372
Salary increase + 100 bps	150,096,939	560,515,351
Salary increase - 100 bps	131,349,637	490,692,201

26.2.7 The following are the expected payments in future years:

Within next 12 months	31,754,598	47,813,755
Between 2 and 5 years	230,127,665	274,266,108
Between 5 and 10 years	276,288,267	623,645,202
Beyond 10 years	601,635,042	2,998,255,869
Total expected payments	1,139,805,572	3,943,980,934

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (2023: 6 years).

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

26.2.8 Risks on account of defined benefit plans:

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

26.2.9 The plan curtailment arises as the gratuity benefit for non-worker employees have been discontinued with effect from January 01, 2025.

27	TRADE AND OTHER PAYABLES	Note	2024 Rupees	2023 Rupees
	Trade creditors	27.1	1,564,774,648	861,809,007
	Accrued expenses		308,683,354	382,864,112
	Accrued markup		27,178,872	50,775,015
	Due to employees		136,398,316	69,229,897
	Provision for leave encashment		49,582,690	35,789,997
	Payable to central research fund	27.2	49,879,097	35,345,943
	Payable to provident fund trust	27.3	17,009,328	10,923,284
	Withholding tax payable		49,777,240	35,656,626
	Refund liabilities		145,027,808	166,259,017
	Workers welfare fund payable	27.4	274,744,077	228,368,351
	Workers' profit participation fund	27.5	(1,987,922)	178,811,337
			2,621,067,508	2,055,832,586

27.1 These include a balance amounting to Rs. 7.631 million (2023: Nil) due to Curexa Health (Private) Limited, a related party on account of purchases made during the year. This also include a balance amounting to Rs. 2.153 million (2023: Nil) due to Route 2 Health (Private) Limited, a related party on account of purchases made during the year.

27.2 Central research fund is charged at 1% of the profit before tax, of pharmaceutical companies and is deposited to the Drug Regulatory Authority of Pakistan (DRAP) for supporting research of public and national interests.

27.3 All investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of Section 218 of the Companies Act 2017 and the rules formulated for this purpose.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
27.4 Workers Welfare Fund Payable	Note	Rupees	Rupees
Opening balance as at January 01,		228,368,351	161,403,821
Charge for the year	37	84,067,033	63,655,201
Payment / Adjustment		(37,691,307)	3,309,329
Closing balance as at December 31,		274,744,077	228,368,351

27.5 Workers' Profit Participation Fund			
Opening balance as at January 01,		178,811,337	(8,534,371)
Charge for the year	37	259,132,924	178,811,337
Amount received from fund		-	209,570,389
		437,944,261	379,847,355
Paid / adjustment during the year		(439,932,183)	(201,036,018)
Closing balance as at December 31,		(1,987,922)	178,811,337

28 CONTRACT LIABILITIES

Advance from local distributors	50,959,054	11,657,504
Advance from institutions	11,724,730	6,918,934
Advance from foreign customer - export	135,330	44,511,011
Advance from toll customer	-	101,586
	62,819,114	63,189,035

28.1 The aging of contract liabilities is as follows:		
Less than or equal to 30 days	54,744,514	61,476,590
31-90 days	5,410,424	944,716
91-180 days	321,108	215,739
More than 180 days	2,343,068	551,990
	62,819,114	63,189,035

28.2 Contract liabilities represent short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 63.19 million (2023: Rs. 72.26 million), have been recognized as revenue upon transfer of control. The Company expects that outstanding contract liabilities will be recognised as revenue within next financial year.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
29. CURRENT PORTION OF LONG-TERM LIABILITIES	Note	Rupees	Rupees
Lease liabilities	23	65,980,025	273,543,571
Long-term loan - secured	24	128,896,296	66,396,296
Deferred grant	26.1	1,429,733	2,176,520
		196,306,054	342,116,387

30 SHORT TERM BORROWINGS

Meezan Bank Limited	30.1	750,000,000	163,894,091
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30.1 Facilities obtained from Meezan Bank Limited comprise of running musharakah amounting to Rs. 750 million (2023: Rs. 500 million) and letter of credit (sight) under Musawamah amounting to Rs. 800 million (2023: Rs. 800 million). The facilities are secured against joint pari passu charge over all present and future current assets. The rate of profit on running musharak is 1 month KIBOR - 2.50% (2023: 1 month KIBOR + 0.25%). Out of the aggregated facility, export refinance facility amounting to Rs. 200 million (2023: Rs. 200 million) is available as a sub limit under the same security. This facility carries profit at the rate of SBP rate plus 1% (2023: SBP rate plus 1%).

31. CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

31.1.1 While finalizing income tax assessments for the tax year 2010, Additional Commissioner Inland Revenue (ACIR) had made addition on account of impairment loss with aggregate tax impact of Rs. 10 million on May 31, 2013. The Company had filed an appeal on August 25, 2014, before Commission Inland Revenue [CIR] (Appeals) who had upheld the additions, vide order no. 5/A-IV dated November 12, 2015. Being aggrieved, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on December 30, 2015, who deleted the aforesaid additions. However, Federal Board of Revenue has filed reference before honourable Lahore High Court against the judgment of ATIR. The case is pending for adjudication. No provision has been recognized by the Company, as the management on the basis of their legal consultant's opinion expects a favourable outcome.

31.1.2 The Deputy Commissioner Inland Revenue has passed orders under section 161/205 in respect of Tax Years 2015 and 2016 and created a demand of Rs. 2.7 million based on the observation that the Company has not deducted withholding tax while making payment to certain suppliers. Being aggrieved, the Company filed appeal before the CIR (Appeals) who upheld the order passed by DCIR. Against the treatment method out, the Company preferred appeal before Honorable ATIR which is pending adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.

31.1.3 The Assistant Commissioner Inland Revenue has passed orders under section 161/205 in respect of Tax Years 2017 and created a demand of Rs. 4.1 million based on the observation that the Company has not deducted withholding tax while making payment to certain suppliers. Being aggrieved, the Company filed appeal before the CIR (Appeals) who which is pending for adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.

Unconsolidated Notes to the Financial Statements

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31.1.4 The Deputy Commissioner Inland Revenue issued an order under section 45B of the Sales Tax Act, 1990 by creating demand of Rs. 4.3 million. The Company has preferred to file an appeal before Commission Inland Revenue [CIR] (Appeals) against the said order which has been partially decided in the favor of the Company and demand has been reduced by Rs. 3.73 million. The Company has preferred appeal against the remaining amount before ATIR, which is pending for adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.

31.1.5 The Deputy Commissioner Inland Revenue issued an order under section 45B of the Sales Tax Act, 1990 by creating demand of Rs. 10.6 million. The Company has preferred to file an appeal before ATIR against the said order which is pending for adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.

	Note	2024 Rupees	2023 Rupees
31.2 Commitments			
The Company has commitments against:			
Letter of credit		963,000,541	930,532,695
Bank contracts		270,379,501	149,524,444
Ijarah rentals	31.2.1	-	12,127,859
Capital expenditure		-	35,583,333
		1,233,380,042	1,127,768,331
31.2.1 Future payments under Ijarah:			
Within one year		-	8,085,216
After one year but not more than five years		-	4,042,643
	31.3	-	12,127,859

31.3 This represents three-year Ijarah contract with First Habib Modaraba is for 8 company vehicles, rentals of which are calculated with reference to 6 month KIBOR + 2% subject to a 10% floor and 20% ceiling. The rate is subject to revision on semi annual basis and in case the rate is not available at any time, the rental amounts will be calculated on any substitute mode available which is deemed to be fit by the bank.

31.4 The Company has given post dated cheques of Rs. 8.56 million (2023: Rs. 6.00 million) to Total Parco Pakistan Limited and Rs 5.5 million (2023: 5.5 million) as security against fuel cards provided to employees and Rs. 1 million (2023: Rs. 1 million) to Metro cash and carry for the credit limit for purchasing related to canteen.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

32. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET	Note	2024 Rupees	2023 Rupees
Local sales	32.1	25,533,249,147	20,154,920,505
Export sales		1,947,309,165	1,200,218,964
		27,480,558,312	21,355,139,469
Toll manufacturing		712,472,182	616,705,105
		28,193,030,494	21,971,844,574
Less:			
Trade Discounts		4,107,046,135	2,136,572,607
Sales tax		243,847,447	173,253,818
Sales return		646,984,890	237,763,548
		(4,997,878,472)	(2,547,589,973)
	32.2	23,195,152,022	19,424,254,601

32.1 This includes revenue from sale of finished goods purchased by the Company amounting to Rs. 1,303 million (2023: Rs. 2,968 million).

32.2 Geographical information	Note	2024 Rupees	2023 Rupees
Revenue from external customers - net:			
Pakistan		21,247,842,857	18,224,035,635
Afghanistan via an agent		1,450,077,421	750,302,844
United Arab Emirates		142,906,011	142,687,882
France		130,036,251	81,532,250
Kenya		75,467,480	20,528,934
Iraq		40,880,365	45,082,129
Cambodia		12,232,658	15,837,460
Tanzania		10,951,741	39,026,445
Dubai		37,291,828	78,482,636
Sudan		20,612,556	22,102,401
Others		26,852,854	4,635,985
		23,195,152,022	19,424,254,601

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

32.3 Performance obligation

The performance obligation is satisfied at a point in time when the control of the goods and services is transferred to the customer. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 30-45 days.

33. COST OF SALES	Note	2024 Rupees	2023 Rupees
Raw and packing material consumed		8,041,354,832	6,528,510,626
Toll charges		120,361,561	101,548,946
Stores consumed		128,460,037	109,141,883
	33.1	8,290,176,430	6,739,201,455
Salaries, wages and benefits	33.2	999,506,427	811,547,497
Fuel and power		354,124,260	244,293,925
Repairs and maintenance		33,352,427	20,992,776
Depreciation	8.1	177,465,641	131,312,351
Amortization	9.2	6,304,470	5,464,541
Factory supplies		23,536,681	6,651,752
Vehicle running and maintenance		138,773,348	103,232,216
Insurance		26,777,097	19,784,150
Printing and stationery		47,501,525	14,440,125
Fee and subscription		79,805,938	32,304,307
Rent, rates and taxes	33.3	53,180,688	35,338,288
Traveling and conveyance		20,827,158	22,445,384
Consultancy and professional charges		10,506,807	4,677,237
Telephone, postage and communication		3,410,446	1,901,565
Training		8,358,537	-
Other direct costs		20,819,648	1,203,043
		10,294,427,528	8,194,790,612

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Inventory effect of work in process			
Opening		252,216,352	272,204,156
Closing		(451,785,182)	(252,216,352)
		(199,568,830)	19,987,804
Cost of goods manufactured		10,094,858,698	8,214,778,416
Inventory effect of finished goods			
Opening		788,181,310	627,415,587
Closing		(661,955,592)	(788,181,310)
		126,225,718	(160,765,723)
		10,221,084,416	8,054,012,693
Inventory effect of trading goods			
Opening		143,427,588	553,389,764
Purchases		982,301,332	1,705,815,413
Closing		(81,276,281)	(143,427,588)
		1,044,452,639	2,115,777,589
Cost of goods sold		11,265,537,055	10,169,790,282
33.1 Raw, packing material and store consumed:			
Opening stock		3,717,533,104	2,502,553,383
Add: Purchases during the year		7,707,575,334	7,954,181,176
Less: Closing stock	13	(3,134,932,008)	(3,717,533,104)
Consumed during the year		8,290,176,430	6,739,201,455
33.2 This includes the following staff benefits:			
Defined benefit plan - gratuity		(29,139,313)	34,582,418
Defined contribution plan - provident fund		22,780,435	20,472,877
Provision for compensated leave absences		13,823,744	14,647,215
		7,464,866	69,702,510

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

33.3 This represents payment amounting to Rs. 53.18 million (2023: Rs. 35.33 million) in respect of rent of warehouses. The Company has accounted for this using short term lease exemptions accounting of IFRS

		2024	2023
		Rupees	Rupees
34. DISTRIBUTION, SELLING AND PROMOTIONAL EXPENSES	Note		
Salaries and benefits	34.1	2,012,008,200	1,711,796,329
Traveling and conveyance		878,342,366	613,520,784
Training, seminars and symposia		377,151,714	491,125,044
Literature, promotion and advertisement material		1,269,521,157	1,263,638,417
Vehicle running and maintenance		324,326,602	353,832,649
Freight		204,483,244	177,412,547
Sample goods		223,681,161	108,370,092
Newspapers and subscriptions		140,984,148	61,582,907
Depreciation	8.1	91,890,320	59,524,867
Amortization	9.2	775,562	122,633
Insurance		46,890,787	52,614,724
Telephone, postage and communication		28,137,273	16,757,126
Commission on settlement		14,471,865	5,825,319
Rent, rates and taxes	34.2	53,131,835	5,699,535
Office supplies		7,642,099	1,137,020
Printing and stationery		2,893,202	3,217,586
Repairs and maintenance		123,696,267	-
Legal and professional charges		2,498,560	11,425,066
Ijarah rentals		-	7,950,557
Others		5,261,642	352,040
		5,807,788,004	4,945,905,242

34.1 This includes following staff benefits:

Defined benefit plan - gratuity	(48,460,668)	38,911,493
Defined contribution plan - provident fund	44,182,363	46,579,544
Provision for compensated leave absences	19,084,562	18,625,860
	14,806,257	104,116,897

34.2 This represents payment amounting to Rs. 53.13 million (2023: Rs. 5.69 million) in respect of rent of warehouses. The Company has accounted for this using short term lease exemptions accounting of IFRS-16.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
35. ADMINISTRATIVE AND GENERAL EXPENSES	Note	Rupees	Rupees
Salaries and benefits	35.1	421,140,026	393,120,439
Depreciation	8.1	30,214,180	47,353,900
Amortization	9.2	3,755,798	2,457,623
Vehicle running and maintenance		80,797,090	70,114,010
Donation	35.3	3,613,440	1,580,000
Repairs and maintenance		15,998,355	17,507,855
Newspapers and subscriptions		58,074,434	40,011,841
Telephone, postage and communication		6,704,637	10,256,377
Rent, rates and taxes		1,664,151	-
Traveling and conveyance		18,671,572	24,472,798
Legal and professional charges		45,202,785	22,390,867
Electricity, gas and water		50,946,767	20,769,687
Office supplies		15,723,247	21,509,139
Insurance		7,377,341	4,537,044
Advertisement, seminars and symposia		20,516,204	22,258,066
Printing and stationery		8,593,785	8,210,507
Auditors' remuneration	35.2	4,663,850	4,563,850
Others		2,588,843	2,234,340
		796,246,505	713,348,343

35.1 It includes the following staff benefits:

Defined benefit plan - gratuity	(37,267,098)	31,246,763
Defined contribution plan - provident fund	13,836,414	12,971,109
Provision for compensated leave absences	3,581,904	3,671,160
	(19,848,780)	47,889,032

35.2 Auditors' remuneration

Statutory audit	2,310,000	2,310,000
Fee for review of half yearly financial information	530,000	526,350
Other certification	887,500	887,500
Review of statement of compliance	240,000	240,000
Out of pocket	696,350	600,000
	4,663,850	4,563,850

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

35.3 There is no donation to a party exceeding Rs. 500,000 of the Company's total amount of donation except to the three parties that includes donation of Rs. 500,000, Rs. 852,671 and Rs. 1,000,000 to Indus hospital, Hitase and PPMA Pak Pharma Summit. Further, none of the Directors or their spouses have any interest in the donee.

		2024	2023
36. RESEARCH AND DEVELOPMENT EXPENSES	Note	Rupees	Rupees
Salaries and benefits	36.1	8,696,171	13,112,787
Vehicle repair and maintenance		744,186	1,676,036
Insurance		-	50,531
Others		30,625	181,091
		9,470,982	15,020,445

36.1 It includes the defined contribution plan - provident fund of Rs. 0.26 million (2023: Rs. 0.45 million)

		2024	2023
37. OTHER OPERATING EXPENSES	Note	Rupees	Rupees
Workers' Profit Participation Fund	27.5	259,132,924	178,811,336
Workers' Welfare Fund	27.4	84,067,033	63,655,201
Central Research Fund		50,367,031	38,336,470
Allowance for expected credit losses	14.1	35,273,192	-
Provision against sales tax refundable	19.1	88,092,012	-
Realized loss on sale of short term investments		-	3,578,879
Exchange (gain) / loss	18.1	(1,916,009)	42,208,950
		515,016,183	326,590,836

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
	Note	Rupees	Rupees
38. OTHER INCOME			
Return on deposits and mark up on interest bearing accounts		72,261,078	21,011,724
Dividend Income on short-term investment		71,972,605	77,310,177
Unrealized gain on re-measurement of short term investment to fair value		157,792,965	21,961,479
Realised gain on short term investment		79,159,430	-
Interest on loan to subsidiary		305,142	2,243,055
Deferred Income	26.1	1,315,410	1,315,460
Gain on disposal of operating fixed asset	8.3.2	27,791,169	13,782,266
Liabilities written back		-	10,048,111
Scrap sales		17,903,483	2,973,522
Reversal of expected credit losses	14.1	-	29,712,961
Other income		3,757,604	5,100,609
		432,258,886	185,459,364
39. FINANCE COST			
Finance cost on lease liabilities	23.3	69,727,016	53,266,208
Markup on long term loans		217,671,374	2,704,233
Markup on short term borrowings		95,573,049	76,257,736
Bank charges		10,922,218	4,245,923
		393,893,657	136,474,100
40. LEVY			
Levy			
Final tax	40.1	19,902,052	17,634,232

40.1 This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

Unconsolidated Notes to the Financial Statements

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40.2 Reconciliation of levy charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the statement of profit or loss is as follows:

	2024	2023
	Rupees	Rupees
Current tax liability for the year as per applicable tax laws	1,524,386,150	1,014,194,648
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(1,504,484,098)	(996,560,416)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(19,902,052)	(17,634,232)
Difference	-	-

41. TAXATION

Current income tax

Current year	1,504,484,098	996,560,416
Prior year	(36,390,539)	(124,982,930)
	1,468,093,559	871,577,486

Deferred tax

Current year	97,962,210	(64,223,543)
Prior year	-	74,582,638
	97,962,210	10,359,095
	1,566,055,769	881,936,581

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

41.1 Reconciliation of tax charge for the year

Numerical reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	2024 Rupees	2023 Rupees
Profit before tax	4,839,458,522	3,302,584,717
Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)	1,403,442,971	957,749,568
Effect of allowable / not allowable deductions	(130,091,163)	215,646,068
Tax credit	(975,069)	(581,878)
Effect of amounts subject to fixed / final taxes	(55,945,602)	(496,154,396)
Effect of super tax	386,015,171	255,677,511
Prior year income tax charge	(36,390,539)	(124,982,930)
Prior year deferred tax charge	-	74,582,638
Average tax expense charged to profit or loss	1,566,055,769	881,936,581
Average tax rate charged to profit or loss	32.36%	26.70%

41.2 The aggregate of final tax and income tax amounting to Rs. 1,524.386 million (2023: Rs. 1,014.194 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance 2001.

42 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:

		2024	2023
Profit after taxation	Rupees	3,253,500,701	2,403,013,904
Weighted average number of ordinary shares	Number of shares	52,983,363	52,983,363
Earnings per share	Rupees	61.41	45.35

42.1 During the year the Company has not issued any bonus shares.

Unconsolidated Notes to the Financial Statements

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		2024	2023
43	CASH FLOWS FROM OPERATING ACTIVITIES	Rupees	Rupees
	Profit before taxation	4,819,556,470	3,302,584,717
	Adjustments for non-cash and other items:		
	Depreciation of operating fixed assets	299,570,141	238,191,118
	Amortization of intangible assets	10,835,830	8,044,797
	(Reversal) / provision for defined benefit obligation	(114,867,079)	104,740,675
	Provision for slow moving and obsolete stocks	6,517,401	91,159,156
	Provision for Workers' Profit Participation Fund	259,132,924	178,811,336
	Provision for Workers Welfare Fund	84,067,033	63,655,201
	Provision for Central Research Fund	50,367,031	38,336,470
	Finance cost	393,893,657	136,474,100
	Allowance / (reversal) for expected credit losses	35,273,192	(29,712,961)
	Provision for sales tax refundable	88,092,012	-
	Deferred income	(1,315,410)	(1,315,460)
	Exchange (gain) / loss - net	(1,916,009)	42,208,950
	Gain on disposal of property plant and equipment	(27,791,169)	(13,782,267)
	Liabilities written back	-	(10,048,111)
	Un-realized gain on remeasurement of investments	(157,792,965)	(21,961,479)
	Return on deposits	(72,261,078)	(21,011,724)
	Dividend income on short term investment	(71,972,605)	(77,310,177)
		779,832,906	726,479,625
	Cash flow before working capital changes	5,599,389,376	4,029,064,342
	Working capital changes:		
	(Increase) / decrease in current assets:		
	Stock in trade	571,409,291	(969,816,089)
	Trade debts	(224,678,871)	(816,163,164)
	Advances, trade deposits and prepayments	26,510,057	396,268,566
	Other receivables	(25,965,777)	16,554,520
	Tax refunds due from the Government	16,821,726	78,300,900
	Increase / (decrease) in current liabilities:		
	Trade and other payables	708,721,444	250,829,617
	Contract liabilities	(369,921)	(9,074,635)
		1,072,447,949	(1,053,100,285)
	Cash generated from operations	6,671,837,325	2,975,964,057

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44. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the unconsolidated financial statements for remuneration, allowances including all benefits to the Chief Executive and Executives of the Company are as follows:

2024		2023	
Chief Executive	Executives	Chief Executive	Executives

-----Rupees-----

Short-term employee benefits

Managerial remuneration	21,875,202	511,989,599	20,066,172	405,566,960
House rent, utilities and medical	7,954,116	266,255,928	10,033,092	216,754,792
Retirement benefits	5,924,228	35,574,052	6,827,328	64,230,585
Bonus	5,734,725	162,927,666	6,690,025	111,602,368
	41,488,271	976,747,245	43,616,617	798,154,705
Number of persons	1	198	1	134

44.1 In addition to the above, chief executive and certain other executives have been provided with free use of the Company maintained cars as per terms of employment. Further, medical expenses are reimbursed in accordance with the Company's policies.

44.2 Managerial remuneration includes Rs. 168.662 million (2023: Rs. 118.29 million) charged in the statement of profit or loss in respect of bonus to Chief Executive and Executives of the Company.

44.3 No meeting fee or other remuneration was paid to an Independent and Non-Executive Directors during the year.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

45. FINANCIAL RISK MANAGEMENT

45.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. Risk management is carried out by the company finance and planning department under policies approved by the senior management.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's exposure to financial risk, the way these risks affects the financial position and performance and the manner in which such risks are managed is as follows:

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board.

i) Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. This risk exist due to the Company's exposure resulting from outstanding future commercial transactions or receivables and payables.

The Company is exposed to exchange risk arising from currency exposures mainly with respect to currencies mentioned below on import of raw material, packing material and stores and spares and debtors against export sales. The Company is exposed to foreign exchange risk as at 31 December 2023 as it has financial instruments denominated in currency other than the functional currency of the Company.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Company to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored.

The following analysis demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, of the Company's profit before tax.

	Changes in foreign currency rate	Effects on profit before tax 2024	Effects on profit before tax 2023
		Rupees	Rupees
Receivables - USD	+15%	6,199,980	1,748,998
	-15%	(6,199,980)	(1,748,998)
Receivables - AED	+15%	-	1,553.99
	-15%	-	(1,553.99)
Payables - Euro	+15%	(6,334,390)	(29,780,179)
	-15%	6,334,390	29,780,179
Payables - USD	+15%	(80,861,965)	(38,345,320)
	-15%	80,861,965	38,345,320
Payables - JPY	+15%	-	-
	-15%	-	-
Bank balance - USD	+15%	11,205,440	10,349,096
	-15%	(11,205,440)	(10,349,096)
Cash in hand - Saudi Riyal	+15%	79,182	80,387
	-15%	(79,182)	(80,387)
Cash in hand - Euro	+15%	870	58,172
	-15%	(870)	(58,172)
Cash in hand - CNY	+15%	-	30,883
	-15%	-	(30,883)

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Average rates		Reporting date rate (Bid-Offer average)	
Reporting date rate:	2024	2023	2024	2023
			Rupees	Rupees
USD	280.21	254.11	278.55	281.86
Euro	300.79	276.35	290.08	311.50
JPY	1.89	1.85	1.78	1.99
GBP	354.15	315.83	349.71	358.60
AED	76.29	69.20	75.84	76.74
Saudi Riyal	74.65	67.68	74.14	75.16
CNY	38.90	36.10	38.16	39.63

(ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from lease liabilities, long-term loan, short-term borrowings, cash at bank and short-term investments. Financial instruments obtained at variable rates expose the Company to cash flow interest rate risk. Financial instruments obtained at fixed rate expose the Company to fair value interest rate risk as at reporting date, none of the Company's financial instruments with fixed rates are measured at fair value. Sensitivity to interest rate risk arises from mismatch of financial assets and liabilities that mature or re-price in a given period. The Company analyzes its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2024 Rupees	2023 Rupees
Financial assets			
Variable rates instruments			
Cash and bank balances - deposit accounts	20	348,101,621	29,650,826
Short-term investments - term deposit receipts	18	166,929,713	469,669,677
Loan to subsidiary	17	-	10,000,000

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024 Rupees	2023 Rupees
Financial liabilities			
Variable rates instruments			
Lease liabilities	23	85,239,418	346,006,820
Long-term loan	24	447,716,085	714,112,381
Short-term loan	30	750,000,000	163,894,091
Fixed rates instruments			
Lease liabilities	23	50,803,192	182,553,545

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

	Changes in interest rate	Effects on profit before tax 2024	Effects on profit before tax 2023
		Rupees	
Lease liabilities	+5	(4,261,971)	(26,428,018)
	-5	4,261,971	26,428,018
Long-term Loan	+5	(22,385,804)	(35,705,619)
	-5	22,385,804	35,705,619
Short-term investments - term deposit receipts	+5	8,346,486	23,483,484
	-5	(8,346,486)	(23,483,484)
Loan to subsidiary	+5	-	500,000
	-5	-	(500,000)
Cash and bank balances - deposit accounts	+5	72,928,829	1,482,541
	-5	(72,928,829)	(1,482,541)

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity price risk, which arises from investments measured at fair value through profit and loss. The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

Fair value sensitivity analysis for Company's investment in mutual funds

The following analysis demonstrates the sensitivity to a reasonably possible change in fair values, with all other variables held constant, on the Company's profit before tax. This analysis is prepared assuming the amount of investment in mutual funds instruments outstanding at reporting dates were outstanding for the whole year.

	Changes in fair value	Effects on profit before tax 2024	Effects on profit before tax 2023
		Rupees	
Short-term investments -	+5%	173,596,047	84,956,216
mutual funds	-5%	(173,596,047)	(84,956,216)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade receivables, loans and advances, trade and other deposits, short-term investments, other receivables, loan to subsidiary and balances with banks. The credit risk on liquid funds such as balances with banks is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

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For The Year Ended 31 December 2024

	2024	2023
Financial assets at amortized cost:	Rupees	Rupees
Trade receivables	2,311,740,481	2,120,418,793
Advances to employees against salaries	26,014,292	8,219,698
Trade deposits	48,748,192	49,562,316
Other receivables	148,510,886	15,143,343
Loan to subsidiary	-	10,000,000
Short term investments - Term deposit receipts	166,929,713	469,669,677
Bank balances	1,458,576,571	199,680,980
	4,160,520,135	2,872,694,807

(i) Trade receivables

Credit risk related to trade receivables is managed by established procedures and controls relating to customers credit risk management. Outstanding receivables are regularly monitored and shipments to foreign customers are covered by letters of credit. The maximum credit risk exposure at reporting date is carrying value of financial assets stated above.

These mainly include customers which are counter parties to revenue arrangements. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage different other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

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Geographical concentration of credit risk is as follows:

	2024 Rupees	2023 Rupees
Pakistan	2,238,484,991	2,141,926,411
Kenya	28,731,369	-
Cambodia	424,992	-
Sudan	11,361	9,605
Afghanistan	89,664,744	855,584
Mauritius	5,370,178	-
Tanzania	6,698,845	-
	2,369,386,480	2,142,791,600

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

Trade receivables				
Less than or equal to 30 days	31-90 days	91-180 days	More than 180 days	Total
-----Rupees-----				

As at December 31, 2024

Estimated total gross carrying

amount at default 1,687,802,027 518,395,714 102,411,144 60,777,595 2,369,386,480

Expected credit loss 21,600,691 1,043,060 6,010,854 19,891,393 48,545,998

Expected credit loss rate 1.00% 2.00% 5.90% 30.20%

Trade receivables				
Less than or equal to 30 days	31-90 days	91-180 days	More than 180 days	Total
-----Rupees-----				

As at December 31, 2023

Estimated total gross carrying

amount at default 1,355,653,926 758,385,831 19,482,993 9,268,850 2,142,791,600

Expected credit loss 10,137,620 9,965,190 1,354,068 915,929 22,372,807

Expected credit loss rate 1.23% 3.05% 25.27% 99.35%

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For The Year Ended 31 December 2024

(ii) Financial instruments and balances with banks

Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees, subsidiary company, and utility companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Counter parties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, term deposits receipts and interest accrued. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating			2024 Rupees	2023 Rupees
	Short term	Long term	Agency		
Bank balances:					
Allied Bank Limited	A-1+	AAA	PACRA	70,929	704,215
Askari Bank Limited	A-1+	AA+	PACRA	12,479,148	10,887,856
Bank Al Habib Limited	A-1+	AAA	PACRA	18,730	18,730
Bank Alfalah Limited	A-1+	AAA	PACRA	257	-
Habib Bank Limited	A-1+	AAA	VIS	219,654,799	103,310,149
Dubai Islamic Bank	A-1+	AA	VIS	111,000,449	-
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	19,982,973	64,081,062
JS Bank Limited	A-1+	AA	PACRA	1,072,189	1,440,181
MCB Bank Limited	A-1+	AAA	PACRA	3,811,028	432,733
Meezan Bank Limited	A-1+	AAA	VIS	1,084,491,464	15,723,291
Mobilink Microfinance Bank Limited	A-1	A	PACRA	2,342,995	2,848,634
Summit Bank	A-3	BBB-	VIS	25,259	4,620
Standard Chartered Bank	A-1+	AAA	PACRA	402,382	-
United Bank Limited	A-1+	AAA	VIS	3,223,969	229,509
				1,458,576,571	199,680,980

Short-term investments - term deposit receipts

First Habib Modaraba	A-1+	AA+	PACRA	159,729,713	469,669,677
Askari Bank Limited	-	AA+	PACRA	7,200,000	-

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Being investment grade, the Company has assessed expected credit losses for balances with banks for 12 month period. Based on external credit ratings, the Company has estimated that allowance for expected credit losses is trivial to the financial statements and accordingly has not been recognised.

(iii) Other financial assets

Other financial assets mainly comprise of long-term and short-term deposits, other receivables and advances / loans to employees. The Company has assessed, based on historical experience, that the expected credit loss associated with these financial assets is trivial and therefore, no expected credit loss has been recognized on these financial assets. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

(iv) Investment in Mutual Funds

The external credit rating of mutual funds in whose units the Company has invested its funds is as follows:

	Rating		2024 Rupees	2023 Rupees
	Long term	Agency		
Short-term investments - mutual funds				
ABL Cash Fund	AA+(f)	PACRA	41,029	-
ABL Fixed Rate Plan VIII	AA+(f)	PACRA	105,783,000	-
ABL Fixed Rate Plan XII	AA+(f)	PACRA	538,395,881	-
ABL Government Securities Funds B	AA+(f)	PACRA	124	-
ABL Special Savings	CP2+(f)	PACRA	-	117,724,267
AL Habib Income Fund	AA(f)	PACRA	119,084,173	100,055,093
Alfalah GHP Money Market Fund	AA+(f)	PACRA	520,888,356	51,438,071
Alfalah GHP Sovereign Fund	AA-(f)	PACRA	-	100,101,725
Atlas Money Market Fund	AA+(f)	PACRA	-	102,148,457
Faysal Money Market Fund	AA(f)	PACRA	303,365	262,238
HBL Money Market Fund	AA+(f)	VIS	618,572	531,713

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	Rating		2024 Rupees	2023 Rupees
	Long term	Agency		
JS Cash Fund	AA+(f)	PACRA	63,251	53,277
Lakson Income Fund	A+(f)	PACRA	130,231,350	43,855,478
Lakson Money Market Fund	AA+(f)	PACRA	-	105,612,052
MCB Cash Management Optimizer Fund	AA+(f)	PACRA	215,329,898	86,119,069
NBP Financial Sector Income Fund	A+(f)	PACRA	122,532,634	103,093,716
NBP Money Market Fund	AA(f)	PACRA	522,825	315,194
NIT Income Fund	AA-(f)	PACRA	50,000,000	-
NIT Money Market Fund	AAA(f)	PACRA	-	103,139,785
NIT-Govt. Bond Fund	AA(f)	PACRA	575,819,378	-
NIT-Social Impact Fund	A+(f)	VIS	450,313,164	-
Pak Qatar Income Plan	AA-(f)	PACRA	385,598,185	-
UBL Al Amin Shariah Fund	AA+(f)	VIS	2,944	-
UBL Government Securities Fund	AA(f)	VIS	-	150,136,405
UBL Income opportunity Fund	AA-(f)	VIS	-	509,258,226
UBL Liquidity Plus Fund	AA+(f)	VIS	130,968	125,279,559
UBL Money Market Fund	AA+(f)	VIS	256,261,836	-
			3,471,920,933	1,699,124,325

The Company estimates the change in fair value of the Company's investment in mutual funds is not attributable to the changes in the credit risk of the related mutual funds.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company's finance department aims at maintaining flexibility in funding by keeping regular committed credit lines available. The management uses different methods which assists it in monitoring cash flow requirements and optimizing the return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be

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predicted, such as natural disasters. In addition, the Company maintains an unavailed lines of credit.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024					
	Carrying amount	Contractual cash flows	within 1 year	1 to 2 years	2 to 5 years	More than 5 years
31 December 2024	-----Rupees-----					
Lease liabilities	136,042,610	166,935,773	82,484,990	50,670,469	33,780,314	-
Long term Loan	447,716,085	632,738,585	214,542,291	186,630,788	231,565,506	-
Short term borrowings	750,000,000	750,000,000	750,000,000	-	-	-
Trade and other payables	2,037,035,190	2,037,035,190	2,037,035,190	-	-	-
Unclaimed dividend	210,193,857	210,193,857	210,193,857	-	-	-
	3,580,987,742	3,796,903,405	3,294,256,328	237,301,257	265,345,820	-

	2023					
	Carrying amount	Contractual cash flows	within 1 year	1 to 2 years	2 to 5 years	More than 5 years
31 December 2023	-----Rupees-----					
Lease liabilities	528,560,365	676,557,267	197,327,913	255,014,554	191,652,430	32,562,370
Long term Loan	714,112,381	1,131,683,352	224,932,197	296,760,657	608,036,279	1,954,219
Short term borrowings	163,894,091	163,894,091	163,894,091	-	-	-
Trade and other payables	1,364,678,031	1,364,678,031	1,364,678,031	-	-	-
Unclaimed dividend	138,561,386	138,561,386	138,561,386	-	-	-
Unpaid dividend	111,299,848	111,299,848	111,299,848	-	-	-
	3,021,106,102	3,586,673,975	2,200,693,466	551,775,211	799,688,709	34,516,589

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

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45.2 Financial instruments by categories

2024		
AT FVTPL	Amortized cost	Total

-----Rupees-----

Assets as per statement of financial position:

Long term deposits	-	24,916,894	24,916,894
Advances	-	26,014,292	26,014,292
Loan to employees	-	63,899,529	63,899,529
Trade debts	-	2,311,740,481	2,311,740,481
Trade deposits	-	23,831,298	23,831,298
Other receivables	-	148,510,886	148,510,886
Cash and bank	-	1,459,206,965	1,459,206,965
Short term Investments	3,471,920,933	166,929,713	3,638,850,646
	3,471,920,933	4,225,050,058	7,696,970,991

2023		
AT FVTPL	Amortized cost	Total

-----Rupees-----

Assets as per statement of financial position:

Long term deposits	-	23,943,429	23,943,429
Advances	-	8,219,698	8,219,698
Loan to employees	-	56,230,067	56,230,067
Loan to subsidiary	-	10,000,000	10,000,000
Trade debts	-	2,120,418,793	2,120,418,793
Trade deposits	-	25,618,887	25,618,887
Other receivables	-	15,143,343	15,143,343
Cash and bank	-	204,337,732	204,337,732
Short term Investments	1,699,124,325	469,669,677	2,168,794,002
	1,699,124,325	2,933,581,626	4,632,705,951

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	2024	2023
	At amortized cost	
	-----Rupees-----	
Liabilities as per statement of financial position:		
Lease liabilities	136,042,610	528,560,365
Long term loan	447,716,085	714,112,381
Unclaimed dividend	210,193,857	138,561,386
Short term borrowings	750,000,000	163,894,091
Trade and other payables	2,037,035,190	1,364,678,031
	3,580,987,742	2,909,806,254

46. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Company's objectives, policies or processes to capital management during the year nor the Company is subject to externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital employed. It includes within net debt, interest bearing loans and borrowings, trade and other payables and accrued markup.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

The debt - to - equity ratio as at 31 December is as follows:

	2024 Rupees	2023 Rupees
Long term loan	447,716,085	714,112,381
Lease liabilities	136,042,610	528,560,365
Trade and other payables	2,621,067,508	2,055,832,586
	3,204,826,203	3,298,505,332
Add: Short term borrowings	750,000,000	163,894,091
Less: Bank and term - deposits	(1,626,136,678)	(204,337,732)
Net debt	2,328,689,525	3,258,061,691
Share capital	529,833,630	529,833,630
Revaluation surplus on operating fixed assets	865,425,008	899,339,441
Revenue reserves	9,825,907,063	8,167,526,233
	11,221,165,701	9,596,699,304
Total capital employed	13,549,855,226	12,854,760,995
Gearing ratio	17%	25%

47. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2024		
	Long-term loan	Lease liabilities	Total
	-----Rupees-----		
As at December 31, 2024			
Opening balance	714,112,381	528,560,365	1,242,672,746
Additions	-	104,224,550	104,224,550
Cash flows - net	(484,067,670)	(566,469,321)	(1,050,536,991)
Finance cost	217,671,374	69,727,016	287,398,390
Closing balance	447,716,085	136,042,610	583,758,695

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	2023		
	Long-term loan	Lease liabilities	Total
	-----Rupees-----		
As at December 31, 2023			
Opening balance	18,008,677	258,014,081	276,022,758
Additions	700,000,000	438,794,892	1,138,794,892
Cash flows - net	(3,896,296)	(221,514,816)	(225,411,112)
Finance cost	-	53,266,208	53,266,208
Closing balance	714,112,381	528,560,365	1,242,672,746

48. FAIR VALUE MEASUREMENT

48.1 Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the unconsolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value measurement using			
Quoted price in active market	Significant observable inputs	Significant unobservable inputs	Total
(Level 1)	(Level 2)	(Level 3)	

As at December 31, 2024

-----Rupees-----

Short-term investment	3,471,920,933	-	-	3,471,920,933
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Revalued Property, plant and equipment

Land - freehold	-	654,495,000	-	654,495,000
Building on freehold land	-	-	265,029,000	265,029,000
Plant and machinery	-	-	892,361,000	892,361,000
Total	3,471,920,933	654,495,000	1,157,390,000	5,283,805,933

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Fair value measurement using			
	Quoted price in active market	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
As at December 31, 2023	-----Rupees-----			
Short-term investment	1,699,124,325	-	-	1,699,124,325
Revalued Property, plant and equipment				
Land- freehold	-	654,495,000	-	654,495,000
Building on freehold land	-	-	265,029,000	265,029,000
Plant and machinery	-	-	892,361,000	892,361,000
Total	1,699,124,325	654,495,000	1,157,390,000	3,511,009,325

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 8 and Note 22, respectively to these financial statements. There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

48.2 Valuation techniques used to derive level 2 and level 3 fair values

The Company obtains independent valuations for its certain classes of property, plant and equipment (more particularly described below) at least every three years. At the end of each reporting period, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per kanal. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery has been determined using a depreciated replacement cost approach, whereby, the current replacement cost of items of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Description	2024 Rupees	2023 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Revalued Property plant and equipment				
Land - freehold	654,495,000	654,495,000	Cost of acquiring a new similar land considering price per kanal of immediate neighbourhood and neighbouring properties which have been recently purchased or sold.	Higher, the estimated cost of acquisition of similar land, higher the fair value.
Building on freehold land	265,029,000	265,029,000	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	892,361,000	892,361,000	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.

48.3 Fair value of financial instruments

The carrying value of the Company's financial assets and liabilities measured at their amortized cost approximate their fair values, largely due to short term maturities of these instruments. The management assessed that fair value of loans and advances, short term deposits and investments, interest accrued, trade and other receivables, cash and bank balances, trade and other payables and accrued finance cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

49. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise subsidiary, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel (Note 44). The transactions with related parties are carried out under the related party transactions policy approved by the Board of Directors of the Company. The balances and transactions with related parties and associated company are as follows:

49.1 Transactions during the year:

Name of related party	Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Curexa Health (Pvt) Ltd	Subsidiary (100% owned subsidiary)	Purchases - net	94,816,547	596,285,580
		Transfer of solar	11,574,291	-
		Payments	83,785,049	608,624,930
		Receipts during the year	6,872,574	-
		Expenses incurred on behalf	7,189,855	-
		Loan repayment received	10,000,000	-
		Interest on loan to subsidiary	305,142	2,243,055
Route 2 Health (Pvt) Ltd	Associate (Common directorship and shareholder of 0.45% (2023:1.29%))	Purchases	44,894,204	559,943,451
		Payments	42,741,032	516,433,451
		Dividend paid	-	9,156,200
Pharmatec Investments Limited	Associate (Common directorship and shareholder of 8.34% (2023:8.34%))	Dividend declared	132,487,260	69,822,020
		Dividend paid	243,787,108	21,996,752
Staff Provident Fund	Employee benefit fund	Contribution for the year	80,799,212	80,482,518
		Dividend paid	6,406,500	3,376,300
Employees' Welfare Trust	Employee benefit fund	Contribution for the year	3,775,483	4,084,934
		Dividend paid	7,743,690	1,331,652
Workers' Profit Participation Fund	Employee benefit fund	Charge for the year	259,132,924	178,811,336
		Contribution paid / adjustment	439,932,183	201,036,018
		Amount received from fund	-	209,570,389

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

49.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of balances	2024 Rupees	2023 Rupees
Curexa Health (Pvt) Ltd	Subsidiary	Other receivables	11,574,291	2,575,244
	(100% owned subsidiary)	Accrued markup receivables	-	609,720
		Trade and other payables	7,361,340	-
		Loan	-	10,000,000
Route 2 Health (Pvt) Ltd	Associate	Payables	2,153,172	-
	(Common directorship)			
Pharmatec Investments Limited	Associate	Unpaid Dividend	-	111,299,848
	(Common directorship)			
Staff Provident Fund	Employee benefit fund	Trade and other payables	17,009,328	10,923,284
Workers' Profit Participation Fund	Employee benefit fund	Trade and other payables	-	178,811,337

49.3 No cost has been charged by the Company to Curexa (Private) Limited (a wholly owned subsidiary) for the marketing and distribution services extended during the year as approved by the Board of Directors.

49.4 Transactions with key management personnel under the terms of employment are excluded from related party transactions.

50. NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the end of the year	2,263	2,295
Average number of employees during the year	2,279	2,339

51. CORRESPONDING FIGURES

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

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Reclassification from	Reclassification to	Amount (Rupees)
Statement of financial position		
Sales tax refundable	Other receivables/ sales tax recoverable	107,401,766
Statement of Profit and loss		
Taxation	Levy	19,902,052

The impact of above reclassifications has also been accounted for in the statement of cashflows.

52. PLANT CAPACITY AND PRODUCTION

Annual production	2024 Million units	2023 Million units
Packs solids	72.27	68.58
Packs liquids	18.72	16.79
Packs drops	9.45	6.69
Packs suspension	10.02	6.63
Packs devices	0.93	0.56
Packs sachets	0.50	0.37
Packs cream	0.06	0.05
Total units	111.95	99.67

The production capacity of the Company's plants is indeterminable as these are multi-product plants involving varying processes of manufacture. The Company's production was according to market demand.

53. SEGMENT REPORTING

The chief operating decision maker (i.e., the Board of Directors) considers the whole business as one operating segment.

54. EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company in its meeting held on 26th March, 2025 has proposed cash dividend at the rate of Rs. 40 (2023: Rs. 30) per share and nil bonus shares for the year ended December 31, 2024, (2023: nil) subject to the approval of shareholders in the Annual General Meeting to be held on 29th April, 2025. These unconsolidated financial statements do not reflect these appropriations.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

55. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	2024 Rupees	2023 Rupees
Statement of financial position -Financing obtained as per Islamic mode:		
Short term financing	750,000,000	163,894,091
Long term musharakah	85,239,418	346,006,820

Relationships with banks having Islamic window

Bank Name	Region	Nature of transactions
First Habib Modaraba	Pakistan	Long term diminishing Musharakah
Meezan Bank Limited	Pakistan	Short term financing

56. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated financial statements for issuance on 26th March, 2025.

57. GENERAL

The figures in these unconsolidated financial statements are rounded off to the nearest rupee, unless otherwise stated.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Financial Statements

Highnoon Laboratories Limited
for the year ended 31 December 2024



Group Directors' Report to the Shareholders

The Directors are pleased to present the Consolidated Financial Statements of Highnoon Laboratories Limited the ("Holding Company") and Curexa Health (Private) Limited its wholly owned Subsidiary company ("the Subsidiary") together mentioned as ("the Group") for the year ended December 31,2024 and a review report on overall Group performance. The Directors' Report on Group performance mainly focuses on the subsidiary's financial performance and its operational initiatives from the Group's perspective. The contents of the Directors' report and Chairman's review on the performance and financial position of the holding Company, as applicable, form part of this report.

KEY FINANCIAL HIGHLIGHTS	2024	2023
	(Rupees in Millions)	
Profit before tax	5,032	3,359
Tax	1,644	912
Profit after tax	3,388	2,447
Earning Per Share	63.95	46.20

EARNINGS PER SHARE

Based on the Consolidated audited financial statements of the Group for the year ended December 31,2023 basic & diluted earnings per share is Rupees 63.95 (2023: Rs. 46.20).

THE SUBSIDIARY'S OPERATIONS AND GROUP PERSPECTIVE

The Subsidiary operates a Cephalosporin Plant and currently produces CEPH related products for its Holding Company. As per IQVIA, our subsidiary Company's flagship brand CEFTRIO®, XORBACT® & CEFIA® have achieved the highest sales revenue of Rs. Rs. 995 million, Rs 509 million & Rs 489 million respectively registering a growth of 49%, 35% and 13% respectively.

OPERATIONAL EXCELLENCE

We're proud to announce the successful completion of several infrastructure improvement projects aimed at enhancing quality and compliance standards within our operations. Furthermore, as part of our commitment to environmental sustainability, we have established an effluent water treatment plant to decontaminate consumed water.

WAY FORWARD

We sincerely appreciate your continued patronage and trust in Highnoon Laboratories Limited. Our enduring commitment to quality and innovation has fueled our brand's reputation, leading to growth that outpaced all and a future outlook that stands head and shoulders above its competition.

Aligned with our vision of enriching lives and long-term strategies, we are dedicated to becoming a globally recognized, quality-driven pharmaceutical company. To expand our international footprint, we are actively pursuing accreditation from a leading global regulatory authority, unlocking new business opportunities.

We are deeply grateful to our employees whose dedication and perseverance has continued to propel us forward, in the right direction. Together, we look ahead to sustain success and growth

For and on behalf of the Board



Dr. Adeel Abbas Haideri
Chief Executive Officer
Lahore
March 26th, 2025



Taufiq Ahmed Khan
Director

INDEPENDENT AUDITOR'S REPORT

To the members of Highnoon Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Highnoon Laboratories Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a material accounting policies information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

	Key Audit Matters	How the matter was addressed in our audit
1.	Revenue Recognition	
	During the year ended December 31, 2024, the Group reported net revenue of Rs. 24.629 billion, compared to Rs. 19.766 billion in the previous year, as disclosed in Note 31 and in accordance with the accounting policy described in Note 6.7 to the consolidated financial statements. Given the significance of revenue as a key performance indicator and the attention required to ensure the accurate recognition of revenue, we identified revenue recognition as a key audit matter.	Our audit procedures in relation to the matter, amongst others, included the following: • Obtained an understanding of the Group's revenue recognition processes and internal controls, and tested their efficacy on a sample basis, including timing; • Evaluated the appropriateness of the Group's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan; • Conducted sequential testing of sales invoices to ensure the completeness and accuracy of recorded revenue; • Assessed IT general controls and application controls for effectiveness in processing revenue transactions; • Performed test of controls on identified controls to ensure that they are operating effectively; • Performed substantive analytical procedures using disaggregated data to gain assurance over the recognized revenue, with a focus on outliers and unusual trends in light of the external economic environment; • Performed testing on sales returns to assess the accuracy of the recognized refund liability. This included conducting inquiries with management to understand the reasons for returns, reviewing supporting documentation, verifying the accuracy of credit notes issued, and ensuring the correct application of revised rates on updated invoices. • Reviewed year-end manual adjustments impacting revenue to identify significant or unusual items, and examined the underlying documentation; • Tested supporting evidence for a sample of sales transactions, including sales orders, invoices, gate passes, delivery challan (customer acknowledgment) and other detailed procedures; • Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and • Assessed the appropriateness and adequacy of the disclosures provided in Note 31 to the consolidated financial statements in accordance with relevant accounting standards.

2.	INVENTORIES	
	As described in Note 13 to the consolidated financial statements, the Group's inventories include items of raw-materials in hand, raw-materials in transit and raw- materials held with third party against which the rights and obligations have been transferred to the Group, packing materials, stores, spare parts and loose tools, work in process and the finished good items as at reporting date amounting to Rs. 4.717 billion as compared to Rs. 4.945 billion which represents 4% decrease as compared to last year. We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Group and determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves significant management judgment and estimation.	Our audit procedures amongst others included the following: • Obtained an understanding of the Group's processes and design and implementation of internal controls relating the purchase and recording on inventory and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on inventory; • Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets; • We evaluated the effectiveness of the Group's internal controls over inventory management across various stages of production. This included performing IT audit controls (ITAC) to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. We also verified that stock issuance rates were correctly calculated and that inventory was appropriately valued; • Performed substantive analytical procedures to reconcile stock issuance as per stock movement records with the amounts recorded in the trial balances. This involved investigating any discrepancies, including those related to interdepartmental issuances, and ensuring that consumption is accurately reflected in the financial statements; • Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; • Performing procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period. This help verifying that the costs associated with inventory were properly allocated to the correct accounting period. • Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the relevant accounting and reporting standards; and • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon vide their report dated April 08, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Sajjad Hussain Gill.

Lahore
March 29th, 2025
UDIN: AR202410087geNIVbztJ



BDO EBRAHIM & CO.
Chartered Accountants
Engagement Partner: Sajjad Hussain Gill

Consolidated Statement of Financial Position As at 31 December 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,915,194,250	4,083,565,054
Intangible assets	9	46,866,785	32,285,579
Goodwill	10	834,230	834,230
Long term deposits	11	25,566,894	24,143,429
Long term advances	12	65,250,481	57,243,399
		4,053,712,640	4,198,071,691
Current assets			
Inventories	13	4,717,791,824	4,945,663,244
Trade receivables	14	2,423,596,428	2,167,183,163
Advances, trade deposits and prepayments	15	553,381,259	595,157,903
Other receivables	16	137,574,581	119,635,629
Short term investments	17	3,638,850,646	2,168,794,002
Tax refunds due from the Government	18	212,310,027	336,216,115
Cash and bank balances	19	1,493,747,356	212,552,586
		13,177,252,121	10,545,202,642
TOTAL ASSETS		17,230,964,761	14,743,274,333



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Statement of Financial Position As at 31 December 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	20	1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	20.1	529,833,630	529,833,630
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of tax	21	1,077,558,758	1,125,838,302
Revenue reserves			
Accumulated profit		10,187,737,871	8,379,976,617
Total Equity		11,795,130,259	10,035,648,549
Non-current liabilities			
Lease liabilities	22	70,062,585	255,016,794
Long term loan - secured	23	318,819,789	647,716,085
Deferred tax liabilities - net	24	279,379,302	202,057,707
Deferred liabilities	25	403,793,433	528,770,871
		1,072,055,109	1,633,561,457
Current liabilities			
Trade and other payables	26	2,928,365,523	2,138,233,859
Contract liabilities	27	244,683,677	83,478,528
Unclaimed dividend		210,193,857	138,561,386
Unpaid dividend		-	111,299,848
Current portion of long term liabilities	28	196,306,054	342,116,387
Short term borrowings	29	784,230,282	260,374,319
		4,363,779,393	3,074,064,327
TOTAL EQUITY AND LIABILITIES		17,230,964,761	14,743,274,333
CONTINGENCIES AND COMMITMENTS			
	30		

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Statement of Profit or Loss

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Revenue from contracts with customers - net	31	24,629,506,279	19,766,263,226
Cost of sales	32	(12,111,880,293)	(10,368,104,062)
Gross profit		12,517,625,986	9,398,159,164
Distribution, selling and promotional expenses	33	(6,047,007,693)	(4,945,905,242)
Administrative and general expenses	34	(930,223,552)	(773,700,852)
Research and development expenses	35	(9,470,982)	(15,020,445)
Other operating expenses	36	(532,549,199)	(335,582,110)
		(7,519,251,426)	(6,070,208,649)
Profit from operations		4,998,374,560	3,327,950,515
Other income	37	441,506,392	185,197,255
Finance cost	38	(407,381,214)	(153,860,484)
Profit before income tax and levy		5,032,499,738	3,359,287,286
Levy	39	(19,930,608)	(17,634,232)
Profit before income tax		5,012,569,130	3,341,653,054
Taxation	40	(1,624,053,116)	(893,976,887)
Profit for the year		3,388,516,014	2,447,676,167
Earnings per share - basic and diluted	41	63.95	46.2

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Profit for the year		3,388,516,014	2,447,676,167
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus on property, plant and equipment	21	-	902,241,178
Related deferred tax on revaluation surplus	24	-	(168,006,328)
Effect of deferred tax due to change in effective tax rate	24	(7,711,645)	(7,163,751)
		(7,711,645)	727,071,099
Remeasurement loss or gain on gratuity - net	25.2.3	(52,166,835)	68,944,791
Related deferred tax	24	20,345,066	(25,474,135)
		(31,821,769)	43,470,656
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-	-
Total other comprehensive (loss) / income for the year		(39,533,414)	770,541,755
Total comprehensive income for the year		3,348,982,600	3,218,217,922

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Statement of Cash Flow

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	6,915,074,491	3,008,166,470
Income tax paid		(1,514,788,679)	(1,089,273,542)
Gratuity paid		(61,708,571)	(36,831,974)
Finance cost paid		(432,525,409)	(152,990,785)
Workers' Welfare Fund paid		(40,736,539)	-
Workers' Profit Participation Fund paid		(443,212,377)	2,577,479
Loan to employees received / (paid) - net		5,374,942	(23,516,658)
Central Research Fund paid		(36,449,075)	(37,316,458)
		(2,524,045,708)	(1,337,351,938)
Net cash generated from operating activities	A	4,391,028,783	1,670,814,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(247,714,608)	(787,602,405)
Purchase of intangible assets		(25,417,036)	(4,494,980)
Long term deposits - net		(973,465)	24,233,160
Short term investments - net		(1,391,423,109)	(807,945,295)
Return on deposit		72,261,078	21,011,724
Loan repaid by subsidiary		-	-
Realised income on short term investment		79,159,430	-
Additions in long-term advances		(337,622)	932,678
Dividend income on short term investment		71,972,605	77,310,177
Proceeds from disposal of operating fixed assets	8.3.2	97,315,062	191,025,794
Net cash flows used in investing activities	B	(1,345,157,665)	(1,285,529,147)

Consolidated Statement of Cash Flow

For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	2	(392,517,755)	(168,248,340)
Repayment of long-term loan	23.1	(266,396,296)	(3,896,296)
Long-term loan received		-	700,000,000
Long term advances (payable) - net		(450,000)	-
Dividend paid during the year		(1,629,168,260)	(750,148,158)
Net cash flows used in financing activities	C	(2,288,532,311)	(222,292,794)
Net foreign exchange difference	D	-	13,585,346
Net increase in cash and cash equivalents	(A+B+C+D)	757,338,807	176,577,937
Cash and cash equivalents at beginning of the year		(47,821,733)	(224,399,670)
Cash and cash equivalents at end of the year	19.2	709,517,074	(47,821,733)

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2024

	Share capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed assets - net of deferred tax	General reserve	Accumulated profit	Sub total	
	----- Rupees -----					
Balance as at January 01, 2023	418,840,820	410,144,816	114,000,000	6,712,126,631	6,826,126,631	7,655,112,267
Transaction with owners, recorded directly in equity						
Issuance of bonus shares @ 10%	41,884,080	-	-	(41,884,080)	(41,884,080)	-
Issuance of bonus shares @ 15%	69,108,730			(69,108,730)	(69,108,730)	-
Final dividend @ Rs. 20 per share for the year ended 31 December 2022	-	-	-	(837,681,640)	(837,681,640)	(837,681,640)
Total comprehensive income for the year ended 31 December 2023						
Profit for the year	-	-	-	2,447,676,167	2,447,676,167	2,447,676,167
Other comprehensive income for the year	-	727,071,099	-	43,470,656	43,470,656	770,541,755
	-	727,071,099	-	2,491,146,823	2,491,146,823	3,218,217,922
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(10,192,404)	-	10,192,404	10,192,404	-
Transfer of surplus on revaluation on disposal of operating fixed assets - net of tax	-	(1,185,209)	-	1,185,209	1,185,209	-
Balance as at December 31, 2023	529,833,630	1,125,838,302	114,000,000	8,265,976,617	8,379,976,617	10,035,648,549
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 30 per share for the year ended 31 December 2023	-	-	-	(1,589,500,890)	(1,589,500,890)	(1,589,500,890)
Total comprehensive income for the year ended 31 December 2024						
Profit for the year	-	-	-	3,388,516,014	3,388,516,014	3,388,516,014
Other comprehensive income for the year	-	(7,711,645)	-	(31,821,769)	(31,821,769)	(39,533,414)
	-	(7,711,645)	-	3,356,694,245	3,356,694,245	3,348,982,600
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(40,567,899)	-	40,567,899	40,567,899	-
Transfer of surplus on revaluation on disposal of operating fixed assets - net of tax	-	-	-	-	-	-
Balance as at December 31, 2024	529,833,630	1,077,558,758	114,000,000	10,073,737,871	10,187,737,871	11,795,130,259

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

Highnoon Laboratories Limited ("the Holding Company") was incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) ("the Act") and its shares are quoted on Pakistan Stock Exchange since November 1994. The Group is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products.

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

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Group is situated at 17.5 KM , Multan Road, Lahore.

Geographical location and addresses of major business units of the Group are as under:

Business Units	Geographical Location	Address
Manufacturing facility	Lahore	17.5 KM, Multan Road, Lahore
Subsidiary registered office / Manufacturing facility	Lahore	517- Sundar Industrial Estate, Raiwind, Lahore
Corporate Office	Lahore	Office# 901 Tricon Corporate Centre, Jail Road, Lahore.
Sales Office	Karachi	202 Anam Empire, Block 7/8 KCHS, Shahrah e Faisal, Karachi
Sales Office	Lahore	14-G, Block L, Gulberg - III, Lahore
Sales Office	Rawalpindi	132 Hali Road, Westridge - I, Peshawar Road, Rawalpindi

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Where provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for:

- the measurement of certain items of property, plant and equipment at revalued amounts;
- recognition of employee retirement benefits at present value; and
- certain foreign currency translation adjustments.

These financial statements are the consolidated financial statements of the Group in which investment in subsidiary is accounted for on the basis of acquisition method. Standalone financial statements of the Parent and its Subsidiary are presented separately.

3.3 Basis of consolidation

The Group's consolidated financial statements include the financial statement of the Holding Company HNL and its subsidiary CHL. The Group uses the acquisition method of accounting to account for business combination. The consideration transferred is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group, if any. Acquisition related cost is expensed as incurred. The Group recognizes any non controlling interest in the acquire at the non controlling interest's proportionate share of the identifiable net assets of the acquired. The Consolidated financial statement of the Holding Company and its Subsidiary are prepared up to the same reporting date using consistent accounting policies. Identifiable assets acquired and liabilities assumed in the acquisition are measured initially at their fair value at the date of acquisition.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the value of non- controlling interest using proportionate share method 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 statement of profit or loss. After initial recognition, it is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

The financial statements of CHL 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 acquired 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.

3.4 Non Controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transaction with parties external to the Group. Disposals of non-controlling interests results in gain or loss for the Group that are recorded in the consolidated statement of profit or loss. As at reporting date, the Group does not have any non controlling interest.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

3.5 Functional and presentation currency

These consolidated financial statements are presented in Pak rupee (Rupee), which is also the functional currency of the Group.

4. CHANGE IN ACCOUNTING POLICY

During the year, the Group change its accounting policy of recognizing the portion of income tax paid or payable for the year under the Income Tax Ordinance, 2001, not based on the taxable profit of the Company, as a Levy under IFRIC 21/IAS 37 instead of current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the consolidated financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year consolidated financial statements is immaterial and disclosed in note 40.

The Group has opted approach (b), which state that the final tax not based on taxable profit are recognized as levy in the consolidated statement of profit or loss.

5. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the consolidated financial statements other than certain additional disclosures.

	Effective date: (Annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date: (Annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented in these consolidated financial statements.

6.1 Leases

Group as lessee

The Group enters into lease arrangements principally in respect of plant and machinery, space for its operations and vehicles. The Group assesses at contract inception whether a contract is, or contains, a lease.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Group has used its incremental borrowing rate as the discount rate for leases where rate is not readily available.

The Group has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

6.2 Provisions and contingencies

Provisions are recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions have been reviewed at reporting date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

6.3 Staff retirement benefits

Defined benefit plan

The Holding Company operates an unfunded gratuity scheme for all of its permanent employees who have joined on or before March 19, 2013, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service. This valuation is carried out by an independent actuary as at December 31, 2024 using the project unit credit method.

The Holding Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. The latest valuation was carried out on December 31, 2024.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Holding Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in the statement of profit or loss. Past service costs are immediately recognized in statement of profit or loss.

6.4 Property, plant and equipment

Operating fixed assets

Property, plant and equipment except for freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and identified impairment loss. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price (less any identified impairment loss). Buildings on freehold land and plant and machinery are stated at revalued amount carried out by independent valuers by reference to current market price less accumulated depreciation (and any identified impairment loss). Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. Revaluation is carried out every three years or earlier as necessitated.

Surplus on revaluation has been recognized by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation was also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses.

Increase in the carrying amount arising on revaluation of property, plant and equipment has been recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, revaluation reserve relating to the particular assets being sold has been transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Depreciation on all property, plant and equipment, except freehold land is charged to statement of profit or loss on the reducing balance method so as to write-off the depreciable amount of an asset over its remaining estimated useful life after taking into account the impact of their residual value, if considered significant. The assets' residual values and useful lives have been reviewed at financial year end.

6.5 Inventories

Stock in trade

Stock of raw and packing materials, work-in-process and finished goods, except for those in transit, have been valued by the Group principally at the lower of cost and net realizable value. Cost in relation to raw and packing materials has been measured at moving average cost. Work-in-process and finished goods have been measured by the Group at weighted average cost and cost comprises direct materials, labour and appropriate proportion of manufacturing overheads.

Stock in transit have been stated at invoice value plus other charges incurred thereon up to the reporting date.

Stores, spare parts and loose tools

Stores, spare parts, and loose tools are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

6.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances at banks, short term investments and outstanding balance of short term running finances.

6.7 Revenue from contracts with customers

The Group is in the business of providing (a) pharmaceutical products and (b) toll manufacturing services for pharmaceutical products to other pharmaceutical sector companies. Revenue from contracts with customers is recognised when control of the goods is transferred which generally coincides with the delivery of the goods to the customer for local sales at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Export goods are considered dispatched when bill of lading / airway bill is prepared for shipment to customers. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Bill and hold arrangement

Bill and hold arrangements are those in which the Group bills customer for a product that it retains physical possession of until it is shipped to the customer. This means that, although the customer has been billed, delivery is postponed at the request of the customer. In accordance with applicable accounting and financial reporting framework, the Group has recognized revenue from its bill and hold arrangements upon fulfilment of all of the following criteria:

- The reason for the bill and hold arrangement is substantive. This means that it has a practical necessity, such as the customer's lack of available space for the product or the customer's request for delayed delivery.
- The Product is identified separately as belonging to The customer.
- The product currently is ready for physical transfer to the customer.
- The entity cannot use the product or direct it to another customer.

Accordingly, the Group's customer have taken control of the product, even as the Group has retained physical possession.

Toll manufacturing

There are contracts with customers to manufacture, on their behalf, the pharmaceutical products using raw material provided by the customer. The performance obligation is satisfied upon receipt of the finished goods by the customer and payment is generally due within 45 days from delivery. No significant financing component exist for these contracts. The Group concluded that it transfers control over its toll manufacturing services at a point in time, upon receipt of the product by the customer, because this is when the customer benefits from the Group's toll manufacturing services

Refund liabilities and right to return

The Group's refund liabilities arise from customers' right of return. A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of consideration to which the Group will not be entitled. The Group updates its estimates of refund liabilities at the end reporting period. In general, the contracts for sales of goods provides a customer with a right to return near expiry products. For products that are expected to be returned, the Group recognizes a provision under refund liability netting off with trade receivables and a corresponding adjustment in sales return.

6.8 Taxation

a) Current Tax

Provision for current tax is based on taxable income for the year, determined in accordance with the provisions of the Income Tax Ordinance, 2001. The current tax charge is calculated using the applicable tax rates or the rates expected to apply to the year's profit if enacted, after considering available tax credits, rebates, and exemptions, if any. It also includes adjustments, where necessary, for prior years' tax provisions based on assessments finalized during the year.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

b) Deferred Tax

For entities subject to normal tax and falls under approach (b), deferred tax is measured using the enacted or notified tax rate as per the application guidance on "IAS 37/IFRIC 21- IAS 12 – Accounting for Minimum and Final Taxes". Given the variability of the effective income tax rate, the Company reassesses its estimates for measuring deferred taxes in future periods, even if the enacted income tax rate remains unchanged.

6.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

6.10 Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the value of non- controlling interest using proportionate share method over the net identifiable assets acquired and liabilities assumed. After initial recognition it is measured at carrying value i.e. at date of acquisition less any accumulated impairment.

6.11 Financial Instruments

All financial assets and financial liabilities of the Company have been initially recognized when the Company became a party to the contractual provisions of the instruments.

6.11.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note 31 Revenue from contracts with customers.

6.11.2 Classification and subsequent measurement

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

The Company's financial assets are measured subsequently at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, short term loans, security deposits, trade and other receivables and short term investments (i.e. Term deposit receipts).

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

The Company has classified all of its financial liabilities at initial recognition, as loans and borrowings and, payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprise trade and other payables, long term and short term borrowings and accrued markup.

Consolidated Notes to the Financial Statements

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6.11.3 Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

Financial liability have been derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

6.11.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the unconsolidated statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.11.5 Impairment

Financial assets

The Company recognizes expected credit loss on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

6.12 Dividend

Dividend to shareholders is recognized as a liability in the period in which it is approved.

6.13 Deferred grants

Deferred grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to unconsolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

6.14 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

6.15 Foreign currency translation

Transactions denominated in foreign currencies are recorded in Pakistani Rupees at the foreign currency rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the reporting date. Exchange differences are taken to the statement of profit or loss.

6.16 Borrowing cost

Finance cost on long term liabilities / lease liabilities which are specifically obtained for the acquisition of qualifying assets i.e. assets that take a substantial period of time to get ready for their intended use, are capitalized up to the date of commissioning of respective asset. All other interest, mark-up and expenses are charged to unconsolidated statement of profit or loss in the period in which they are incurred.

Consolidated Notes to the Financial Statements

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6.17 Earning Per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

6.18 Research and development Cost

The research and development costs are recognized as expenses as they are incurred, including costs related to salaries, materials, testing, and regulatory approvals. If development activities demonstrate technical feasibility and the potential to generate future economic benefits, related costs is capitalized and amortized over their useful life.

7. SIGNIFICANT ESTIMATES AND JUDGMENTS AND OTHER ACCOUNTING POLICY INFORMATION

7.1 Significant estimates and judgements

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Group's consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

	Notes
- Leases	22 and 6.1
- Staff retirement benefits	25 and 6.3
- Expected credit loss	14.1 and 6.11.5
- Taxation	40 and 6.8
- Revaluation of property, plant and equipment	21 and 6.4
- Refund liability	26 and 6.7

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

8. PROPERTY, PLANT AND EQUIPMENT	Note	2024 Rupees	2023 Rupees
Operating fixed assets	8.3	3,624,780,882	2,797,094,339
Right of use assets	8.3	89,084,423	564,445,677
Capital work in progress	8.4	177,078,595	722,025,038
Advances against capital assets		24,250,350	-
		3,915,194,250	4,083,565,054

8.1 Depreciation charge has been allocated as under:

Cost of sale	32	222,213,852	157,035,637
Distribution, selling and promotional expenses	33	91,890,320	59,524,867
Administrative and general expenses	34	32,569,349	49,512,447
		346,673,521	266,072,951

8.2 The last revaluation of land, building on freehold land and plant and machinery has been carried on December 31, 2023 by M/S Surval (Valuer on the the approved list of Pakistan Banking Association) which had resulted in a surplus of Rs. 902.24 million over the net carrying value of assets.

8.2.1 Had the assets not been revalued, the carrying values would have been:		2024 Rupees	2023 Rupees
Land - freehold		355,486,621	41,141,539
Building on freehold land		387,150,305	205,834,115
Plant and machinery		921,425,280	728,028,935
	8.2.2	1,664,062,206	975,004,589

8.2.2 Below is the reconciliation of carrying value without impact of revaluation surplus:

Carrying value of assets:		1,078,840,082	764,495,000
Land - freehold		564,693,782	404,291,000
Building on freehold land		1,301,895,812	1,150,774,000
Plant and machinery		2,945,429,676	2,319,560,000
Less: Revaluation surplus		(1,077,558,758)	(1,125,838,302)
Less: Related deferred tax		(203,808,712)	(218,717,109)
		(1,281,367,470)	(1,344,555,411)
Carrying value without revaluation surplus		1,664,062,206	975,004,589

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

8.3 Owned fixed assets

Reconciliation of the carrying amounts at the beginning and end of the year is as follows:

DESCRIPTION	2024						Rate
	As at 01 January	Cost/revalued amount	As at 31 December	As at 01 January	Accumulated depreciation	Net book value as at 31 December	
		Additions / Transfers	Disposals		Depreciation charge for the year	(Disposal) / Transfers	
Land - freehold	764,495,000	314,345,082	-	1,078,840,082	-	-	-
Building on freehold land	1,263,488,468	211,789,908	-	1,475,278,376	51,387,126	-	10%
Leasehold improvement	49,404,232	-	-	49,404,232	6,120,707	-	20%
Plant and machinery	2,381,144,187	130,126,332	-	2,679,073,457	120,393,391	1,377,177,645	10%
		167,802,938				26,414,067	
Laboratory equipment	163,423,073	12,946,350	-	176,369,423	12,336,660	-	10-20%
Furniture and fixtures	74,401,249	11,621,324	-	86,022,573	5,160,890	-	10%
Electric and gas appliances	89,760,706	15,165,547	-	104,926,253	4,953,878	-	10-20%
Office equipment	134,931,132	23,022,088	(949,200)	157,004,020	15,713,214	(277,498)	10-25%
Vehicles-owned	374,294,429	301,263,459	(55,805,395)	619,752,493	38,753,627	(24,507,258)	20%
						47,193,086	
Right-of-use assets (8.3.1) :	5,295,342,476	1,188,083,028	(56,754,595)	6,426,670,909	2,498,248,137	48,822,397	
Buildings	170,728,316	-	-	170,728,316	107,835,859	-	10-33%
Plant and machinery	167,000,064	37,802,872	-	36,999,998	2,283,489	(26,414,067)	10%
		(167,802,938)					
Vehicles	357,385,995	11,591,200	(39,984,695)	27,729,041	20,549,350	(2,542,642)	10%
		(301,263,459)			-	(47,193,086)	
Total	695,114,375	(419,672,325)	(39,984,695)	235,457,355	130,668,698	(76,149,795)	
	5,990,456,851	768,410,703	(96,739,290)	6,662,128,264	2,628,916,835	2,948,262,959	
						3,713,865,305	

8.3.1 The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from subleasing the leased assets. There are several lease contracts that include termination options which are not significant to these consolidated financial statements.

For The Year Ended 31 December 2024

2023											
DESCRIPTION	Cost/revalued amount				Accumulated depreciation				Net book value as at 31 December	Rate	
	As at 01 January	Additions / Transfers	Revaluation Adjustments	Disposals	As at 31 December	As at 01 January	Depreciation charge for the year	Revaluation Adjustments			(Disposal)/ transfers
----- Rupees -----											
Land - freehold	338,400,000	2,152,250	423,942,750	-	764,495,000	-	-	-	-	764,495,000	-
Building on freehold land	893,186,079	121,874,683	340,698,883	(92,271,177)	1,263,488,468	608,922,663	48,327,167	221,158,201	(19,210,563)	859,197,468	10%
Leasehold improvement	49,404,232	-	-	-	49,404,232	11,149,816	7,650,883	-	-	18,800,699	20%
Plant and machinery	1,314,187,037	230,686,704	715,681,062	(67,403,389)	2,381,144,187	812,179,041	57,220,922	356,923,315	(10,052,549)	1,230,370,187	10%
		187,992,773							14,099,458		
Laboratory equipment	144,911,118	18,511,955	-	-	163,423,073	47,490,451	11,467,548	-	-	58,957,999	10-20%
Furniture and fixtures	70,030,028	4,371,221	-	-	74,401,249	31,804,345	5,188,511	-	-	36,992,856	10%
Electric and gas appliances	92,861,800	17,003,460	-	(20,104,554)	89,760,706	38,589,926	6,667,592	-	(1,786,765)	43,470,753	10-20%
Office equipment	138,597,574	19,453,864	-	(23,120,306)	134,931,132	76,702,552	15,207,512	-	(4,849,484)	87,060,580	10-25%
Vehicles-owned	315,617,690	68,480,553	-	(29,281,700)	374,294,429	134,717,058	46,710,589	-	(18,516,999)	163,397,595	20%
		19,477,886							486,947		
Right-of-use assets :	3,357,195,558	690,005,349	1,480,322,695	(232,181,126)	5,295,342,476	1,761,555,852	198,440,724	578,081,516	(39,829,955)	2,498,248,137	2,797,094,339
Buildings	170,728,316	-	-	-	170,728,316	75,967,868	31,867,991	-	-	107,835,859	10%
Plant and machinery	187,992,773	167,000,064	-	-	167,000,064	-	16,382,947	-	(14,099,458)	2,283,489	10%
		(187,992,773)									
Vehicles	75,367,000	301,496,881	-	-	357,385,995	1,655,008	19,381,289	-	(486,947)	20,549,350	10% - 33%
		(19,477,886)									
	434,088,089	261,026,286	-	-	695,114,375	77,622,876	67,632,227	-	(14,586,405)	130,668,698	564,445,677
Total	3,791,283,647	951,031,635	1,480,322,695	(232,181,126)	5,990,456,851	1,839,178,728	266,072,951	578,081,516	(54,416,360)	2,628,916,835	3,361,540,016

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8.3.2 Disposal of property, plant and equipment

Description		Cost / Revalued amount	Accumulated Depreciation	" Written Down Value "	Sales Proceeds	Gain	Mode of Sale	Particulars of Purchasers
-----Rupees-----								
Motor Cars	Reg. No							Employee Name
Suzuki Alto	ABV 592	1,335,000	485,940	849,060	986,806	137,746	As per Group's policy	Fazal Akbar
Suzuki Cultus VXR	LE-19A-7325	1,745,000	1,202,356	542,644	1,117,555	574,911	As per Group's policy	M. Shahab
Suzuki Alto	AFM 624	1,368,155	606,366	761,789	965,572	203,783	As per Group's policy	Shakir Ali
Suzuki Alto	(ACB 471)	1,433,000	758,917	674,083	1,098,574	424,491	As per Group's policy	M. Rizwan
Suzuki Alto	(ABF 341)	1,433,000	772,674	660,326	981,289	320,963	As per Group's policy	Ayaz Khan
Suzuki Cultus	LEA-20-6706	1,745,000	1,074,920	670,080	1,141,200	471,120	As per Group's policy	Alamzaib Khan
Suzuki Alto	AFU 686	1,368,155	593,232	774,923	978,204	203,281	As per Group's policy	Jawad Sohail
Suzuki Cultus	LEA-20-7488	1,745,000	1,076,161	668,839	1,254,132	585,293	As per Group's policy	M.Tahir Mehmood
Suzuki Alto	AFU 285	1,368,155	593,232	774,923	974,389	199,466	As per Group's policy	Waheed Ahmed
Suzuki Alto	AAC 970	1,398,000	807,485	590,515	945,821	355,306	As per Group's policy	Baqir Fayaz
Suzuki Alto	AFR 467	1,335,000	485,940	849,060	914,331	65,271	As per Group's policy	M Attiq
Suzuki Alto	AFS 195	1,368,155	606,366	761,789	950,943	189,154	As per Group's policy	M Ahmad
Suzuki Motor Car	ADW 345	1,394,881	726,578	668,303	1,087,348	419,045	As per Group's policy	Hazrat Ali
Suzuki Motor Car	ADX 641	1,394,881	590,190	804,691	2,210,000	1,405,309	Market Sale	Moin Akram
Suzuki Alto	AMW 962	1,986,000	423,680	1,562,320	2,350,000	787,680	Market Sale	Muhammad Naeem
Toyota Fortuner Sigma	AFD-261	14,188,695	1,770,442	12,418,253	14,800,000	2,381,747	Market Sale	Amir Doger
Suzuki Alto	AFU 524	1,368,155	521,480	846,675	2,165,000	1,318,325	Market Sale	Moin Akram
Suzuki Motor Car	ADW 260	1,729,743	731,873	997,870	2,797,000	1,799,130	Market Sale	Malik Irfan
Suzuki Alto	AFS 468	1,368,155	634,581	733,574	2,121,000	1,387,426	Market Sale	Agha Ali Jaffari
Suzuki Cultus	AMW 956	2,774,000	850,693	1,923,307	2,757,000	833,693	Market Sale	Agha Ali Jaffari
Suzuki Alto	ALD 433	1,553,500	566,164	987,336	1,800,000	812,664	Market Sale	Reliance Insurance
Suzuki Wagon-R VXL	AQK 421	3,432,000	257,400	3,174,600	3,432,000	257,400	Market Sale	Naseer Autos
Suzuki Wagon-R VXL	AQH 161	3,432,000	257,400	3,174,600	3,432,000	257,400	Market Sale	Naseer Autos
Suzuki Wagon-R VXL	AQH 862	3,432,000	257,400	3,174,600	3,432,000	257,400	Market Sale	Naseer Autos
Toyota Fortuner	AKC 705	15,500,000	-	15,500,000	16,700,000	1,200,000	Market Sale	Mohsin Gujjar
Suzuki Alto	LEB-20-7754	1,398,000	850,431	547,569	1,553,500	1,005,931	Sale	First Habib Modaraba
Suzuki Alto	AKQ 391	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	AKQ 260	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	AKX 676	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	APM 392	2,622,000	579,025	2,042,975	2,622,000	579,025	Sale	First Habib Modaraba
Suzuki Alto	APM 254	2,622,000	579,025	2,042,975	2,622,000	579,025	Sale	First Habib Modaraba
Suzuki Alto	ANV 347	1,986,000	522,980	1,463,020	1,986,000	522,980	Sale	First Habib Modaraba
Suzuki Alto	ALD 620	1,553,500	585,152	968,348	1,553,500	585,152	Sale	First Habib Modaraba
Suzuki Alto	AAC 872	1,398,000	840,291	557,709	1,405,500	847,791	Sale	First Habib Modaraba
Suzuki Alto	ADW 613	1,729,743	867,178	862,565	1,744,743	882,178	Sale	First Habib Modaraba
Suzuki Alto	AAK 845	1,398,000	820,011	577,989	1,405,500	827,511	Sale	First Habib Modaraba
Cultus	AEM 833	1,766,920	837,755	929,165	1,744,743	815,578	Sale	First Habib Modaraba
Suzuki Alto	ABC 481	1,433,000	819,753	613,247	1,440,500	827,253	Sale	First Habib Modaraba
Items having NBV less than								
Rs.500,000 each		2,985,700	1,632,281	1,353,419	3,180,702	1,827,283		
2024		96,748,993	27,340,808	69,408,185	97,311,352	27,903,167		
2023		232,181,125	(54,857,597)	177,323,528	191,025,794	13,702,266		

Consolidated Notes to the Financial Statements

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8.3.3 Particulars of immovable assets of the Company are as follows:

Location and address	Usage of immovable property	Land area (kanal)	Coverage area (sqr.ft)
Land: Situated at 17.5 KM Multan Road Hadbast Mouza Kanjra, Tehsil and District Lahore.	Manufacturing facility	43.6	237,402
Land: Situated at Plot No. 173-B, 186-B and 187-B, Quaid-e-Azam Business Park, Sheikhupura.	Land purchased for new Manufacturing facility.	96.0	432,547
517 - Sundar Industrial Estate, Raiwind road Lahore	Manufacturing facility	8.0	13,000

8.4 Capital work in progress

Movement in capital work in progress is as follows:

	Land		Plant and Machinery		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Opening balance	269,416,665	162,666,666	40,855,392	10,295,924	411,752,981	269,061,425	722,025,038	442,024,015
Additions during the year	44,928,417	106,749,999	101,303,393	261,246,172	90,352,559	855,190,626	236,584,369	1,223,186,797
Transferred to owned assets	(314,345,082)	-	(141,700,623)	(230,686,704)	(325,485,107)	(712,499,070)	(781,530,812)	(943,185,774)
	-	269,416,665	458,162	40,855,392	176,620,433	411,752,981	177,078,595	722,025,038

9. INTANGIBLE ASSETS	Note	2024 Rupees	2023 Rupees
Intangible assets	9.1	46,866,785	32,285,579

9.1

9.1	2024							
	Cost			Accumulated amortization				
Particulars	As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December	Book value as at 31 December	Rate
	----- Rupees -----							
Registration and trademark (9.1.1)	154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software (9.1.2)	42,066,480	25,417,036	67,483,516	9,780,901	10,835,830	20,616,731	46,866,785	20%
	196,500,655	25,417,036	221,917,691	164,215,076	10,835,830	175,050,906	46,866,785	

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	2023							
	Cost			Accumulated amortization				
Particulars	As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December	Book value as at 31 December	Rate
	----- Rupees -----							
Registration and trademark (9.1.1)	154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software (18.1.2)	37,571,500	4,494,980	42,066,480	1,736,104	8,044,797	9,780,901	32,285,579	20%
	192,005,675	4,494,980	196,500,655	156,170,279	8,044,797	164,215,076	32,285,579	

9.1.1 This represents registration and trademarks of brands named as "Tres Orix Forte", "Skilax Drops" and "Blokium". These are fully amortized and are still in use.

9.1.2 ERP software represents the cost incurred on the implementation of IT software SAP S/4 HANA and fee for license paid to Systems Limited for the period of 5 years.

			2024	2023
9.2	Amortization charge has been allocated as under:	Note	Rupees	Rupees
	Cost of sale	32	6,304,470	5,464,541
	Distribution, selling and promotional expenses	33	775,562	122,633
	Administrative and general expenses	34	3,755,798	2,457,623
			10,835,830	8,044,797

10. GOODWILL

Goodwill on acquisition of subsidiary	10.1	834,230	834,230
---------------------------------------	------	---------	---------

10.1 On September 02, 2015, the Holding Company acquired 80% of the shareholding of the Subsidiary Company 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 had elected to measure the non controlling interest in the Subsidiary Company using proportionate share method over the net identifiable assets acquired and liabilities assumed at the date of acquisition. Goodwill worked out at the date of acquisition is as follows:

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	2015 Rupees
Purchase consideration transferred in cash	44,300,800
Non-controlling interest at acquisition date	10,866,643
	55,167,443
Assets Acquired:	
Property, plant and equipment	51,815,300
Capital work in progress	3,887,304
Cash and cash equivalents	11,816
Liabilities assumed:	
Trade and other payables	(115,730)
Directors' loans	(1,265,477)
Total identifiable net assets at fair value	54,333,213
Goodwill arising on acquisition	834,230

Net cash flow on acquisition of subsidiary company:

Purchase consideration transferred in cash	44,300,800
Less: cash and cash equivalents of subsidiary company	(11,816)
Net cash flow on acquisition of subsidiary company	44,288,984

10.2 Acquisition of additional interest in Curexa Health (Private) Limited

Subsequently in 2015, HNL also participated in the Subsidiary Group's right issue and its shareholding increased to 88.39%. In May 2016, the Holding Group acquired an additional 11.61% interest in the voting shares of Curexa Health (Private) Limited, increasing its ownership interest to 100%. Cash consideration of Rs. 11 million was paid to the non controlling shareholders. The carrying value of the net assets of Subsidiary Group (excluding goodwill on the original acquisition) was Rs. 10 million. Following is a schedule of additional interest acquired in Curexa Health (Private) Limited:

	2016 Rupees
Cash consideration paid to non controlling interest	11,077,000
Carrying value of the additional interest in Curexa Health (Private) Limited	(10,036,523)
Difference recognized in accumulated profit	1,040,477

		2024 Rupees	2023 Rupees
11. LONG TERM DEPOSITS	Note		
Bank guarantee margin		1,602,710	1,602,710
Deposits with vendors	11.1	23,964,184	22,540,719
		25,566,894	24,143,429

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

- 11.1** Deposits with vendors are non-adjustable and are refundable after the contract with the service providers are concluded. The impact of initial recognition of long term deposits at fair value under IFRS 9 is not significant to these consolidated financial statements.

		2024 Rupees	2023 Rupees
12. LONG TERM ADVANCES			
Advance for software - under implementation		782,444	-
Loan to employees			
Advances to employees against salaries	15	74,896,853	81,927,607
Less: current portion	12.1	(10,428,816)	(24,684,208)
		64,468,037	57,243,399
		65,250,481	57,243,399

- 12.1** These represent loan given to employees against the purchase of vehicles as per the Company's policy. These loans are for maximum period of 5 years. These loans are secured against the final settlement amount of employees. The loans carry an effective interest rate of 0% (2023: 0%) per annum and are repayable in cash in accordance with predefined repayment schedule. Present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of loan to employees is considered insignificant by the management at the financial statements level, hence not recognized.

	Note	2024 Rupees	2023 Rupees
13. INVENTORIES			
Raw materials			
In hand		2,133,024,020	2,253,413,919
In transit		161,515,778	656,233,366
With third party		158,952,120	133,122,397
		2,453,491,918	3,042,769,682
Packing material		841,317,571	781,045,122
Stores, spare parts and loose tools		96,830,205	75,968,438
Work in progress		661,726,187	278,623,344
Finished goods			
Trading - in hand		97,630,343	136,324,851
Manufactured		778,946,160	824,607,842
	13.2	876,576,503	960,932,693
Less: provision for slow moving and obsolete items	13.1	(212,150,560)	(193,676,035)
		4,717,791,824	4,945,663,244

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For The Year Ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
13.1 Provision for slow moving and obsolete items			
Opening provision		193,676,035	131,478,395
Charge for the year		85,650,605	93,270,403
Reversal during the year		(67,176,080)	(31,072,763)
Closing provision		212,150,560	193,676,035

13.2 The finished goods are recorded at lower of cost and net realisable value which has resulted in impairment loss amounting to Rs. 17.49 million (2023: Rs. 36.3 million) recorded in cost of sales.

	Note	2024 Rupees	2023 Rupees
14. TRADE RECEIVABLES			
Export Sales		120,550,269	865,189
Local Sales		2,360,697,663	2,188,690,781
		2,481,247,932	2,189,555,970
Less: allowance for expected credit losses	14.1	(57,651,504)	(22,372,807)
	14.2	2,423,596,428	2,167,183,163

14.1 Allowance for expected credit losses:

Opening balance		22,372,807	52,085,768
Charge / (reversal) during the year	37	35,278,697	(29,712,961)
		57,651,504	22,372,807

14.2 Trade receivables become due after 30 to 45 days of the invoice date. Generally, balances outstanding for more than 360 days are treated as default.

		2024 Rupees	2023 Rupees
15. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS			
Advances to staff			
- against expenses	15.1	30,753,110	142,862,432
- against salary	15.2	26,014,292	8,372,019
- current portion of advances against vehicles	12	10,428,816	24,684,208
		67,196,218	175,918,659
Advance to suppliers against goods and services		387,827,332	243,532,994
Margin against letter of credit		33,059,431	116,218,545
Trade deposits		23,840,672	25,638,939
Prepayments		41,457,606	33,848,766
		553,381,259	595,157,903

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15.1 Advances to staff provided to meet business expenses are settled as and when the expenses are incurred.

15.2 Advances to staff are interest free and settled against immediate salary. These advances are secured against final settlement of staff provident fund. Present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of loan to employees is considered insignificant by the management at the financial statements level, hence not recognized.

		2024	2023
16. OTHER RECEIVABLES	Note	Rupees	Rupees
Interest accrued		19,979,979	8,603,306
Sales tax recoverable		111,687,167	107,401,766
Others		5,907,435	3,630,557
		137,574,581	119,635,629

17. SHORT TERM INVESTMENTS

Mutual funds - fair value through profit and loss	17.1	3,471,920,933	1,699,124,325
Term deposit receipts - at amortized cost	17.2	166,929,713	469,669,677
		3,638,850,646	2,168,794,002

17.1 These investments are measured at fair value through profit or loss:

Balance at the beginning of the year		1,699,124,325	1,193,596,924
Additions during the year		4,383,230,301	2,387,312,516
Redemption during the year		(2,847,386,088)	(1,900,167,715)
Realized gain / (loss) on redemption of investments during the year	37	79,159,430	(3,578,879)
Unrealized gain on remeasurement of investments during the year	37	157,792,965	21,961,479
Closing fair value of short term investment	17.1.1	3,471,920,933	1,699,124,325

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Units		Fair Value	
	2024	2023	2024	2023
17.1.1 Mutual fund wise detail is as follows:	Numbers	Numbers	Rupees	Rupees
Alfalsh GHP Money Market Fund	4,836,803	519,111	520,888,356	51,438,071
Alfalsh GHP Sovereign Fund	-	832,445	-	100,101,725
MCB Cash Management Optimizer	1,934,218	846,453	215,329,898	86,119,069
Faysal Money Market Fund	2,283	2,283	303,365	262,238
NBP Money Market Fund	47,882	31,494	522,825	315,194
NBP Financial Sector Income Fund	10,542,234	9,673,984	122,532,634	103,093,716
UBL Money Market Fund	2,334,503	-	256,261,836	-
UBL Liquidity Plus Fund	1,186	1,233,476	130,968	125,279,559
UBL Government Securities Fund	-	1,277,198	-	150,136,405
UBL Income Opportunity Fund	-	4,150,410	-	509,258,223
UBL Al Amin Shariah Fund	7	-	2,944	-
NIT Social Impact Fund	40,583,318	-	450,313,164	-
NIT Government Bond Fund	52,329,614	-	575,819,378	-
NIT Income Fund	4,492,565	-	50,000,000	-
NIT Money Market Fund	-	10,608,361	-	103,139,785
Pak Qatar Income Plan	3,458,519	-	385,598,185	-
HBL Money Market Fund	5,506	4,669	618,572	531,713
ABL Government Securities Funds B	11	-	124	-
ABL Fixed Rate Plan VIII	10,000,000	-	105,783,000	-
ABL Fixed Rate Plan XII	53,148,656	-	538,395,881	-
ABL Special Savings	-	10,548,675	-	117,724,267
ABL Cash Fund	3,675	-	41,029	-
Atlas Money Market Fund	-	199,611	-	102,148,457
JS Cash Fund	515	515	63,251	53,277
AL Habib Income Fund	1,069,540	980,325	119,084,173	100,055,094
Lakson Money Market Fund	-	1,015,046	-	105,612,054
Lakson Income Fund	1,154,350	408,898	130,231,350	43,855,478
	185,945,385	42,332,954	3,471,920,933	1,699,124,325

17.2 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 11.25% to 21% (2023: 16% - 22%) with maturity up to August 2025.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
18. TAX REFUNDS DUE FROM THE GOVERNMENT	Note	Rupees	Rupees
Sales tax refundable - net		254,004,772	269,564,741
Provision against sales tax refundable	18.1	(88,092,012)	-
		165,912,760	269,564,741
Income tax refundable - net		46,397,267	66,651,374
		212,310,027	336,216,115

18.1 Provision against sales tax refundable			
Opening balance		-	-
Charge for the year		88,092,012	-
		88,092,012	-

19. CASH AND BANK BALANCES

Cash in hand			
Balance with banks		633,770	4,907,461
Current accounts			
-Local currency		1,035,370,000	101,172,443
-Foreign currency		75,337,262	68,930,604
Saving accounts	19.1	382,406,324	37,542,078
		1,493,113,586	207,645,125
		1,493,747,356	212,552,586

19.1 These represents savings accounts which carries average profit at the rate of ranging from 9.21% to 20.10% (2023: 7.51% to 20.51%).

19.2 Cash and cash equivalents

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

	Note	2024	2023
		Rupees	Rupees
Cash and bank balances		1,493,747,356	212,552,586
Short - term borrowings	29	(784,230,282)	(260,374,319)
Cash and cash equivalents as per statement of cashflows		709,517,074	(47,821,733)

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For The Year Ended 31 December 2024

20. SHARE CAPITAL	Note	2024 Rupees	2023 Rupees
Authorized share capital			
100,000,000 (2023: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000

20.1 Issued, subscribed and paid up share capital

5,905,000 (2023: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash		59,050,000	59,050,000
95,000 (2023: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	20.1.1	950,000	950,000
46,983,363 (2023: 35,884,082) ordinary shares of Rs. 10 each issued as bonus shares		469,833,630	469,833,630
		529,833,630	529,833,630

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

20.2 Reconciliation of issued share capital:

	2024 Number	2023 Number	2024 Rupees	2023 Rupees
Balance as at January 01, 2024	52,983,363	5,000,000	529,833,630	50,000,000
Bonus shared of Rs. 10 each as at 01 January	-	36,884,082	-	368,840,820
Issuance of bonus shares of Rs. 10 each	-	11,099,281	-	110,992,810
Balance as at December 31, 2024	52,983,363	52,983,363	529,833,630	529,833,630

20.3 All ordinary shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group. The shareholders of the Group do not have any agreements for voting rights, board selection, rights of first refusal, and block voting.

Consolidated Notes to the Financial Statements

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	2024	2023
	Rupees	Rupees
21. REVALUATION SURPLUS ON OPERATING FIXED ASSETS		
Opening balance of gross surplus on revaluation of fixed assets	1,344,555,411	459,875,058
Addition during the year	-	902,241,178
Surplus on revaluation of operating fixed assets relating to disposal of plant and machinery - transferred to unappropriated profits	-	(1,634,068)
Incremental depreciation relating to surplus on revaluation of fixed assets - transferred to unappropriated profits	(40,567,899)	(10,192,404)
	(22,620,042)	(5,734,353)
	(63,187,941)	(15,926,757)
	1,281,367,470	1,344,555,411
Less related deferred tax liability on:		
Balance at the beginning of the year	218,717,109	49,730,242
Related deferred tax on additions during the year	-	168,006,328
Effect of deferred tax due to change in effective tax rate	7,711,645	7,163,751
Surplus on revaluation of operating fixed assets relating to disposal of plant and machinery - transferred to unappropriated profits	-	(448,859)
Incremental depreciation relating to surplus on revaluation of operating fixed assets - transferred to unappropriated profits	(22,620,042)	(5,734,353)
	203,808,712	218,717,109
Closing balance of surplus on revaluation of fixed assets	1,077,558,758	1,125,838,302

21.1 This represents surplus arising on revaluation of freehold land, building on freehold land and plant and machinery. This has been adjusted by incremental depreciation arising due to revaluation, net of deferred tax. The latest revaluation of freehold land, building on freehold land and plant and machinery was carried out on December 31, 2023 by M/S Surval (Valuer on the approved list of Pakistan Banking Association) which resulted in a surplus of Rs. 902 million. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017. For details of related fair value determination, refer to Note 47.2 of these financial statements.

Consolidated Notes to the Financial Statements

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		2024	2023
22. LEASE LIABILITIES	Note	Rupees	Rupees
Present value of lease payments		136,042,610	528,560,365
Less: Current portion shown under current liabilities	28	(65,980,025)	(273,543,571)
		70,062,585	255,016,794

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024			
	Rupees			
	Building	Vehicles	Plant and Machinery	Total
As at 1 January	182,553,545	233,374,726	112,632,094	528,560,365
Additions	-	67,224,550	37,000,000	104,224,550
Accretion of interest	16,533,888	43,593,946	9,599,182	69,727,016
Payments	(148,284,241)	(292,253,804)	(125,931,276)	(566,469,321)
As at 31 December	50,803,192	51,939,418	33,300,000	136,042,610

	2023			
	Rupees			
	Building	Vehicles	Plant and Machinery	Total
As at 1 January	124,841,368	41,497,713	91,675,000	258,014,081
Additions	90,267,333	235,895,465	112,632,094	438,794,892
Accretion of interest	13,193,742	29,770,022	10,302,444	53,266,208
Payments	(45,748,898)	(73,788,474)	(101,977,444)	(221,514,816)
As at 31 December	182,553,545	233,374,726	112,632,094	528,560,365

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
	Note	Rupees	Rupees
22.1 Maturity analysis of lease liabilities:			
Within one year		82,484,990	197,327,913
After one year but not more than five years		84,450,783	446,666,984
More than five years		-	32,562,370
Finance cost		(30,893,163)	(147,996,902)
Total lease liabilities		136,042,610	528,560,365
22.2 Salient features of the leases are as follows:			
- Discounting factor		8.94% - 23.84%	8.94% - 23.65%
- Lease term		24 to 120 Months	24 to 120 Months
22.3 Amount recognised in consolidated statement of profit or loss			
Interest expense on lease liabilities	38	69,727,016	53,266,208
Expenses related to short term leases		107,976,674	41,037,823
Total amount recognised in statement of profit or loss		177,703,690	94,304,031
23. LONG TERM LOAN - SECURED			
Long-term loan	23.1	447,716,085	714,112,381
Less: Current portion of long-term loan	28	(128,896,296)	(66,396,296)
		318,819,789	647,716,085
23.1 The movement of long-term loan is as follows:			
Opening balance as at January 01,	23.1.2	714,112,381	18,008,677
Loan obtained during the year	23.1.1	-	700,000,000
Payment during the year		(266,396,296)	(3,896,296)
		447,716,085	714,112,381
Less: Current portion shown under current liabilities		(128,896,296)	(66,396,296)
Closing balance as at 31 December		318,819,789	647,716,085

Consolidated Notes to the Financial Statements

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- 23.1.1** The loans include two facilities of amounting to Rs. 200 million and Rs. 500 million with maturity date of October 23, 2028 and June 05, 2028 were obtained during 2023 from Meezan Bank Limited to meet the long term financing and carries markup at the rate of 3 month KIBOR + 0.1% per annum, repayable in 16 equal quarterly instalments commenced after a grace period of one year. However the facility of Rs. 200 million has been early settled during the year. This facility is secured against first pari passu charge over all present and future plant and machinery.
- 23.1.2** This includes loan obtained from MCB Bank Limited with maturity date of June 10, 2029 under facility for setting up solar based power project under SBP financing scheme for renewable energy having sanctioned limit of Rs. 50 million (2023: Rs. 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2023: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual funds up to Rs. 67 million placed in MCB Investment Management Limited. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3M KIBOR at respective draw down date. The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.
- 23.1.3** Facilities obtained from Meezan Bank Limited comprise of letters of credit (sight/ usance) individually amounting to Rs. 500 million (2023: Rs. 500 million), Trust receipt finance amounting to Rs. 500 million (2023: Rs. 500 million) and DOC delivered against acceptance amounting to Rs. 500 million (2023: Rs. 500 million)

	2024	2023
	Rupees	Rupees
24. DEFERRED TAX LIABILITIES		
Deferred tax liabilities - net	279,379,302	202,057,707
Deferred tax liabilities on taxable temporary differences:		
Surplus on revaluation of operating fixed assets	199,416,168	213,443,379
Accelerated tax depreciation	359,398,409	178,519,195
Lease arrangement - net	-	13,259,120
	558,814,577	405,221,694
Deferred tax assets on deductible temporary differences:		
Allowance for expected credit losses	(22,481,940)	(8,266,439)
Lease arrangement - net	(18,313,693)	-
Provision for gratuity	(155,852,548)	(193,622,020)
Provision for inventories	(80,936,094)	(1,760,047)
Unused tax losses and tax credits	(1,851,000)	484,519
	(279,435,275)	(203,163,987)
Deferred tax liabilities	279,379,302	202,057,707

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		2024	2023
	Note	Rupees	Rupees
24.1 Movement of deferred grant is as follows:			
As at January 01,		202,057,707	(4,894,894)
Recognized as deferred tax expense / (income) in unconsolidated statement of profit or loss:			
Surplus on revaluation of operating fixed assets		(21,738,856)	(11,456,943)
Accelerated tax depreciation on fixed assets		180,879,214	4,506,356
Lease liabilities		(31,572,813)	(13,946,977)
Provisions		(79,176,047)	76,015,496
Allowance for expected credit losses		(14,215,501)	8,014,322
Gratuity		58,114,538	(54,972,867)
Unused tax losses and tax credits		(2,335,519)	(1,851,000)
		89,955,016	6,308,387
Recognized as deferred tax expense / (income) in statement of comprehensive income:			
Gratuity		(20,345,066)	25,474,135
Surplus on revaluation on operating fixed assets		-	168,006,328
Effect of deferred tax due to change in effective tax rate		7,711,645	7,163,751
		(12,633,421)	200,644,214
		279,379,302	202,057,707

25. DEFERRED LIABILITIES

Deferred Grant	25.1	4,171,514	4,740,137
Gratuity	25.2	399,621,919	524,030,734
		403,793,433	528,770,871

25.1 Movement of deferred grant is as follows:			
Opening balance as at 01 January		6,916,657	8,232,117
Grant income recognized during the year	37	(1,315,410)	(1,315,460)
Closing balance as at December 31,		5,601,247	6,916,657
Less: Current portion shown under current liabilities	28	(1,429,733)	(2,176,520)
Non-current portion		4,171,514	4,740,137

Consolidated Notes to the Financial Statements

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- 25.2** As discussed in Note 6.3, the Group operates an unfunded gratuity scheme for its employees, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service.

	Note	2024 Rupees	2023 Rupees
Present value of defined benefit obligation	25.2.1	399,621,919	524,030,734

25.2.1 Movement in the present value of define benefit obligation:

Opening balance as at January 01,	524,030,734	525,066,824
Current service cost	30,487,822	32,542,931
Interest cost on defined benefit obligation	78,908,232	72,197,744
Benefits paid during the year	(55,378,631)	(31,791,657)
Gains on plan curtailment	(224,263,133)	(68,944,791)
Charge to other comprehensive income	52,166,835	
	405,951,859	529,071,051
Less: balance due but not paid	(6,329,940)	(5,040,317)
Liability as at 31 December	399,621,919	524,030,734

25.2.2 (Reversal) / expense recognized in consolidated statement of profit or loss:

Current service cost	30,487,822	32,542,931
Interest cost	78,908,232	72,197,744
Gains and losses arising on plan curtailments	(224,263,133)	-
	(114,867,079)	104,740,675

25.2.3 Remeasurement recognized in other comprehensive income:

Actuarial losses and (gain) from changes in financial assumptions	35,969,175	(76,584,045)
Experience adjustments	16,197,660	7,639,254
	52,166,835	(68,944,791)

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

25.2.4 Historical information for gratuity plan

	2024	2023	2022	2021	2020
	-----Rupees-----				
Present value of defined benefit obligation	399,621,919	524,030,734	525,066,824	546,646,832	525,419,561
Remeasurement adjustment arising on plan liabilities	52,166,835	(68,944,791)	(46,524,657)	17,177,141	63,821,894
Remeasurement adjustment as percentage of outstanding liability	13.05%	-13.16%	-8.86%	3.14%	12.15%

The projected unit credit method with the following significant assumptions was used for the valuation of this scheme:

	2024	2023
- Discount rate used for interest cost	16.00% p.a.	14.25% p.a.
- Discount rate used for year end obligation	12.25% p.a.	16.00% p.a.
- Expected rate of increase in salary	10.50% p.a.	12.00% p.a.
- Expected average remaining working life time	6 years	6 years
- Mortality rates	SLIC	SLIC
	2001-2005	2001-2005

25.2.5 Estimated expense of current service and interest cost on defined benefit obligation to be charged to consolidated statement of profit or loss for the year ending December 31, 2024 amounts to Rs. 30.487 million and Rs. 78.908 million respectively, while gain arising on plan curtailments amount to Rs. 224.263 million, resulting in a net gain of Rs. 114.867 million to be reflected in profit and loss.

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For The Year Ended 31 December 2024

25.2.6 Sensitivity analysis

Significant assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

	2024 Rupees	2023 Rupees
Discount rate + 100 bps	131,691,492	492,424,385
Discount rate - 100 bps	149,882,941	559,172,372
Salary increase + 100 bps	150,096,939	560,515,351
Salary increase - 100 bps	131,349,637	490,692,201

25.2.7 The following are the expected payments in future years:

Within next 12 months	31,754,598	47,813,755
Between 2 and 5 years	230,127,665	274,266,108
Between 5 and 10 years	276,288,267	623,645,202
Beyond 10 years	601,635,042	2,998,255,869
Total expected payments	1,139,805,572	3,943,980,934

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (2023: 6 years).

25.2.8 Risks on account of defined benefit plans:

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

25.2.9 The plan curtailment arises as the gratuity benefit for non-worker employees have been discontinued with effect from January 01, 2025.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

26. TRADE AND OTHER PAYABLES	Note	2024 Rupees	2023 Rupees
Trade creditors	26.1	1,815,244,837	909,032,561
Accrued expenses		332,282,744	402,039,311
Accrued markup		31,372,004	55,607,963
Due to employees		136,398,316	69,229,897
Provision for leave encashment		49,582,690	35,789,997
Refund liabilities		145,027,808	167,387,845
Payable to Central Research Fund	26.2	52,057,254	35,961,141
Payable to Provident Fund Trust	26.3	18,195,248	11,862,140
Sales tax payable		3,949,383	-
Withholding tax payable		55,884,021	37,001,482
Workers Welfare Fund Payable	26.4	279,577,263	232,464,953
Workers' Profit Participation Fund payable	26.5	8,793,955	181,856,569
		2,928,365,523	2,138,233,859

26.1 This also include a balance amounting to Rs. 2.153 million (2023: Nil) due to Route 2 Health (Private) Limited, a related party on account of purchases made during the year.

26.2 Central research fund is charged at 1% of the profit before tax, of pharmaceutical companies and is deposited to the Drug Regulatory Authority of Pakistan (DRAP) for supporting research of public and national interests.

26.3 All investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of Section 218 of the Companies Act 2017 and the rules formulated for this purpose.

26.4 Workers Welfare Fund Payable	2024 Rupees	2023 Rupees
Opening balance as at January 01,	232,464,953	164,365,925
Charge for the year	88,083,811	64,789,699
Payment / Adjustment	(40,971,501)	3,309,329
Closing balance as at December 31,	279,577,263	232,464,953

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For The Year Ended 31 December 2024

	2024	2023
	Rupees	Rupees
26.5 Workers' Profit Participation Fund		
Opening balance as at January 01,	181,856,569	(3,454,826)
Charge for the year	269,914,801	181,856,568
Interest charge on late payment	429,012	877,348
Amount received from fund	-	209,570,390
	452,200,382	388,849,480
Paid / adjustment during the year	(443,406,427)	(206,992,911)
Closing balance as at December 31,	8,793,955	181,856,569

27. CONTRACT LIABILITIES

Advance from local distributors	220,308,109	31,946,997
Advance from institutions	11,724,730	6,918,934
Advance from foreign customer - export	135,330	44,511,011
Advance from toll customer	-	101,586
Provision against refund liabilities	12,515,508	-
	244,683,677	83,478,528

27.1 The ageing of contract liabilities is as follows:

Less than or equal to 30 days	236,609,077	81,766,083
31-90 days	5,410,424	944,716
91-180 days	321,108	215,739
More than 180 days	2,343,068	551,990
	244,683,677	83,478,528

27.2 Contract liabilities represent short-term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 83.48 million (2023: Rs. 72.26 million), have been recognized as revenue upon transfer of control. The Group expects that outstanding contract liabilities will be recognised as revenue within next financial year.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

		2024	2023
28. CURRENT PORTION OF LONG-TERM LIABILITIES	Note	Rupees	Rupees
Lease liabilities	22	65,980,025	273,543,571
Long-term loan - secured	23	128,896,296	66,396,296
Deferred grant	25.1	1,429,733	2,176,520
		196,306,054	342,116,387

		2024	2023
29. SHORT TERM BORROWINGS	Note	Rupees	Rupees
Short term borrowings from commercial banks	29.1 and 29.2	784,230,282	188,106,578
Finance against trust receipts		-	72,267,741
		784,230,282	260,374,319

29.1 Facilities obtained from Meezan Bank Limited comprise of running musharakah amounting to Rs. 750 million (2023: Rs. 500 million) and letter of credit (sight) under Musawamah amounting to Rs. 800 million (2023: Rs. 800 million). The facilities are secured against first joint pari passu charge over all present and future current assets. The rate of profit on running musharak is 1 month KIBOR - 2.50% (2023: 1 month KIBOR + 0.25%). Out of the aggregated facility, export refinance facility amounting to Rs. 200 million (2023: Rs. 200 million) is available as a sub limit under the same security. This facility carries profit at the rate of SBP rate plus 1% (2023: SBP rate plus 1%)

29.2 Facilities from commercial banks amount to Rs. 554 million (2023: 254 million). The facilities carry markup at the rate of 1 to 6 months Kibor plus 0.3% to 2% (2023: 3 month Kibor plus 2%) p.a. The facilities are secured against hypothecation charge on present and future current assets of the Group. Further, usance letters of credit facilities are also available from banks.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

- 31.1.1** While finalizing income tax assessments for the tax year 2010, Additional Commissioner Inland Revenue (ACIR) had made addition on account of impairment loss with aggregate tax impact of Rs. 10 million on May 31, 2013. The Group had filed an appeal on August 25, 2014, before Commission Inland Revenue [CIR] (Appeals) who had upheld the additions, vide order no. 5/A-IV dated November 12, 2015. Being aggrieved, the Group filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on December 30, 2015, who deleted the aforesaid additions. However, Federal Board of Revenue has filed reference before honourable Lahore High Court against the judgment of ATIR. The case is pending for adjudication. No provision has been recognized by the Group, as the management on the basis of their legal consultant's opinion expects a favourable outcome.
- 31.1.2** The Deputy Commissioner Inland Revenue has passed orders under section 161/205 in respect of Tax Years 2015 and 2016 and created a demand of Rs. 2.7 million based on the observation that the Company has not deducted withholding tax while making payment to certain suppliers. Being aggrieved, the Company filed appeal before the CIR (Appeals) who upheld the order passed by DCIR. Against the treatment method out, the Company preferred appeal before Honorable ATIR which is pending adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.
- 31.1.3** The Assistant Commissioner Inland Revenue has passed orders under section 161/205 in respect of Tax Years 2017 and created a demand of Rs. 4.1 million based on the observation that the Company has not deducted withholding tax while making payment to certain suppliers. Being aggrieved, the Company filed appeal before the CIR (Appeals) who which is pending for adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.
- 31.1.4** The Deputy Commissioner Inland Revenue issued an order under section 45B of the Sales Tax Act, 1990 by creating demand of Rs. 4.3 million. The Company has preferred to file an appeal before Commission Inland Revenue [CIR] (Appeals) against the said order which has been partially decided in the favor of the Company and demand has been reduced by Rs. 3.73 million. The Company has preferred appeal against the remaining amount before ATIR, which is pending for adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.
- 31.1.5** The Deputy Commissioner Inland Revenue issued an order under section 45B of the Sales Tax Act, 1990 by creating demand of Rs. 10.6 million. The Company has preferred to file an appeal before ATIR against the said order which is pending for adjudication. Provision has not been recognized by the Company, as the management expects a favorable outcome.
- 30.1.6** The Additional Commissioner Inland Revenue (ACIR) had issued an amended assessment order u/s 122(5A) of the Income Tax Ordinance, 2001 and made certain additions to the income resulting in tax liability of Rs. 8.208 million. Being aggrieved with the order of ACIR the Group filed an appeal before Commissioner Inland Revenue (Appeals), Lahore, which is still pending for adjudication. No provision has been recognized by the Group as management expect a favourable outcome in this regard.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

- 30.1.7** The Deputy Commissioner Inland Revenue (DCIR) had issued an order u/s 161 of the Income Tax Ordinance, 2001 and created a demand of Rs. 20.026 million, being withholding tax for the year. Aggrieved with the order of ACIR the company filed an appeal before Income Tax Appellate Tribunal, which is still pending for adjudication. No provision has been recognized by the Group as management expect a favourable outcome in this regard.

30.2 Commitments	Note	2024 Rupees	2023 Rupees
The Group has commitments against:			
Letter of contracts		1,032,325,783	939,252,969
Ijarah rentals	30.2.1	-	12,127,859
Bank contracts		270,379,501	149,524,444
Capital expenditure		-	35,583,333
		1,302,705,284	1,136,488,605
30.2.1 Future payments under Ijarah:			
Within one year		-	8,085,216
After one year but not more than five years		-	4,042,643
	30.3	-	12,127,859

- 30.3** This represents three-year ijarah contract with First Habib Modaraba is for 8 Group vehicles, rentals of which are calculated with reference to 6 month KIBOR + 2% subject to a 10% floor and 20% ceiling. The rate is subject to revision on semi annual basis and in case the rate is not available at any time, the rental amounts will be calculated on any substitute mode available which is deemed to be fit by the bank.

- 30.4** The Group has given post dated cheques of Rs. 8.56 million (2023: Rs. 6.00 million) to Total Parco Pakistan Limited and Rs. 5.5 million (2023: 5.5 million) as security against fuel cards provided to employees and Rs. 1 million (2023: Rs. 1 million) to Metro cash and carry for the credit limit for purchasing related to canteen.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

31. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET	Note	2024 Rupees	2023 Rupees
Local sales	31.1	27,527,721,282	20,516,939,633
Export sales		1,950,164,791	1,200,218,964
		29,477,886,073	21,717,158,597
Toll manufacturing		712,472,182	616,705,105
		30,190,358,255	22,333,863,702
Less:			
Trade Discounts		4,638,751,109	2,146,119,090
Sales tax		263,729,297	182,589,010
Sales return		658,371,570	238,892,376
		(5,560,851,976)	(2,567,600,476)
	31.2	24,629,506,279	19,766,263,226

31.1 This includes revenue from sale of finished goods purchased by the Company amounting to Rs. 1,303 million (2023: Rs. 2,968 million).

31.2 Geographical information	2024 Rupees	2023 Rupees
Revenue from external customers - net		
Pakistan	22,679,341,488	18,566,044,260
Afghanistan via an agent	1,452,933,047	750,302,844
United Arab Emirates	142,906,011	142,687,882
France	130,036,251	81,532,250
Kenya	75,467,480	20,528,934
Iraq	40,880,365	45,082,129
Cambodia	12,232,658	15,837,460
Tanzania	10,951,741	39,026,445
Dubai	37,291,828	78,482,636
Sudan	20,612,556	22,102,401
Others	26,852,854	4,635,985
	24,629,506,279	19,766,263,226

Consolidated Notes to the Financial Statements

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31.3 Performance obligation

The performance obligation is satisfied at a point in time when the control of the goods and services is transferred to the customer. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 30-45 days.

32. COST OF SALES	Note	2024 Rupees	2023 Rupees
Raw and packing material consumed		8,924,582,019	7,135,343,318
Toll charges		120,361,561	101,548,946
Stores consumed		158,714,001	125,595,251
	32.1	9,203,657,581	7,362,487,515
Salaries, wages and benefits	32.2	1,092,451,285	895,907,948
Fuel and power		398,477,481	277,089,158
Repairs and maintenance		47,458,053	34,682,794
Depreciation	8.1	222,213,852	157,035,637
Factory supplies		23,536,681	6,651,752
Vehicle running and maintenance		157,147,337	121,189,026
Insurance		30,900,789	22,099,466
Printing and stationery		51,275,652	16,259,898
Fee and subscription		82,622,743	35,597,432
Rent, rates and taxes	32.3	54,080,688	35,523,336
Traveling and conveyance		21,481,308	22,927,231
Consultancy and professional charges		12,667,553	5,510,935
Telephone, postage and communication		3,410,446	1,901,565
Staff welfare and entertainment		6,530,418	4,783,960
Freight expenses		2,980,432	1,442,820
Staff training and development		8,976,592	-
Amortization of intangible assets		6,304,470	5,464,541
Other direct costs		20,819,648	1,199,980
		11,446,993,009	9,007,754,994

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	Note	2024 Rupees	2023 Rupees
Inventory effect of work in process			
Opening		278,623,344	294,334,778
Closing		(661,726,187)	(278,623,344)
		(383,102,843)	15,711,434
Cost of goods manufactured		11,063,890,166	9,023,466,428
Inventory effect of finished goods			
Opening		824,607,842	636,746,913
Closing		(778,946,160)	(824,607,842)
		45,661,682	(187,860,929)
		11,109,551,848	8,835,605,499
Inventory effect of trading goods			
Opening		136,324,851	553,389,764
Purchases		963,633,937	1,115,433,650
Closing	13	(97,630,343)	(136,324,851)
		1,002,328,445	1,532,498,563
Cost of goods sold		12,111,880,293	10,368,104,062

32.1 Raw, packing material and store consumed:

Opening stock		3,899,783,242	2,658,074,506
Add: Purchases during the year		8,695,514,033	8,604,196,251
Less: Closing stock	13	(3,391,639,694)	(3,899,783,242)
Consumed during the year		9,203,657,581	7,362,487,515

32.2 This includes the following staff benefits:

Defined benefit plan - gratuity		(29,139,313)	34,582,419
Defined contribution plan - provident fund		25,835,419	23,291,515
Provision for compensated leave absences		13,823,744	15,546,841
		10,519,850	73,420,775

32.3 This represents payment amounting to Rs. 53.18 million (2023: Rs. 35.33 million) in respect of rent of warehouses. The Company has accounted for this using short term lease exemptions accounting of IFRS

Consolidated Notes to the Financial Statements

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		2024	2023
33. DISTRIBUTION, SELLING AND PROMOTIONAL EXPENSES	Note	Rupees	Rupees
Salaries and benefits	33.1	2,016,200,669	1,711,796,329
Traveling and conveyance		878,367,161	613,520,784
Training, seminars and symposia		377,151,714	491,125,044
Literature, promotion and advertisement material		1,269,521,157	1,263,638,417
Vehicle running and maintenance		325,124,586	353,832,649
Freight		226,867,018	177,412,547
Sample goods		435,143,442	108,370,092
Newspapers and subscriptions		140,984,148	61,582,907
Depreciation	8.1	91,890,320	59,524,867
Insurance		46,890,787	52,614,724
Telephone, postage and communication		28,137,273	16,757,126
Commission on sales		14,471,865	5,825,319
Rent, rates and taxes	33.2	53,131,835	5,699,535
Office supplies		7,642,099	1,137,020
Printing and stationery		2,949,125	3,217,586
Repairs and maintenance		123,696,267	-
Others		5,261,642	352,040
Staff welfare and entertainment		302,463	-
Amortization	9.2	775,562	122,633
Legal and professional charges		2,498,560	11,425,066
Ijarah rentals		-	7,950,557
		6,047,007,693	4,945,905,242

33.1 This includes following staff benefits:

Defined benefit plan - gratuity	(48,460,668)	38,911,493
Defined contribution plan - provident fund	41,793,828	41,793,828
Provision for compensated leave absences	15,845,841	15,845,841
	9,179,001	96,551,162

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33.2 This represents payment amounting to Rs. 53.13 million (2023: Rs. 5.69 million) in respect of rent of warehouses. The Group has accounted for this using short term lease exemptions accounting of IFRS-16.

		2024	2023
34. ADMINISTRATIVE AND GENERAL EXPENSES	Note	Rupees	Rupees
Salaries and benefits	34.1	493,067,535	432,330,362
Depreciation	8.1	32,569,349	49,512,447
Amortization	9.2	3,755,798	2,457,623
Vehicle running and maintenance		97,678,847	77,323,726
Donation	34.2	3,613,440	1,580,000
Repairs and maintenance		20,455,754	18,618,104
Newspapers and subscriptions		60,627,356	42,304,047
Telephone, postage and communication		7,581,810	11,159,862
Rent, rates and taxes		1,664,151	-
Traveling and conveyance		32,513,710	25,405,567
Legal and professional charges		45,981,222	23,189,479
Electricity, gas and water		58,888,770	21,484,109
Office supplies		15,723,247	21,509,139
Insurance		8,383,324	5,317,276
Advertisement, seminars and symposia		20,516,204	22,258,066
Printing and stationery		9,225,750	8,657,784
Auditors' remuneration	34.3	5,563,850	5,260,850
Others		2,588,843	2,234,340
Staff welfare and entertainment		9,591,084	3,048,571
Staff training and development		233,508	49,500
		930,223,552	773,700,852

34.1 It includes the following staff benefits:

Defined benefit plan - gratuity	(37,267,098)	31,246,763
Defined contribution plan - provident fund	16,120,439	13,981,843
Provision for compensated leave absences	2,211,788	2,211,788
	(18,934,871)	47,440,394

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- 34.1** There is no donation to a party exceeding Rs. 500,000 of the Group's total amount of donation except to the three parties that includes donation of Rs. 500,000, Rs. 852,671 and Rs. 1,000,000 to Indus hospital, Hitase and PPMA Pak Pharma Summit. Further, none of the Directors or their spouses have any interest in the donee.

	Note	2024 Rupees	2023 Rupees
34.3 Auditors' remuneration			
BDO Ebrahim & Co. - Holding Company auditor			
Statutory audit		2,310,000	2,310,000
Other certification		530,000	526,350
Fee for review of half yearly financial information		887,500	887,500
Review of statement of compliance of code of corporate governance		240,000	240,000
Out of pocket		696,350	600,000
Mazars M.F. & Co. - Subsidiary Company auditor			
Statutory audit		781,200	605,000
Out of pocket		118,800	92,000
		5,563,850	5,260,850

35. RESEARCH AND DEVELOPMENT EXPENSES

Salaries and benefits	35.1	8,696,171	13,112,787
Vehicle repair and maintenance		744,186	1,676,036
Insurance		-	50,531
Others		30,625	181,091
		9,470,982	15,020,445

- 35.1** It includes the defined contribution plan - provident fund of Rs. 0.26 million (2023: Rs. 0.45 million)

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		2024	2023
		Rupees	Rupees
36. OTHER OPERATING EXPENSES	Note		
Workers' Profit Participation Fund	26.5	269,914,801	181,856,568
Workers' Welfare Fund	26.4	88,083,811	64,789,699
Central Research Fund	26.2	52,545,188	38,951,668
Allowance for expected credit losses	14.1	35,278,697	-
Provision for sales tax refundable	18.1	88,092,012	-
Realized (gain) / loss on sale of short-term investment	17.1	(1,365,310)	46,405,296
Exchange loss - unrealised		-	335,582,110
		532,549,199	335,582,110
		2024	2023
		Rupees	Rupees
37. OTHER INCOME	Note		
Return on deposits and mark on interest bearing accounts		79,385,190	22,114,828
Dividend Income on short-term investment		71,972,605	77,310,177
Unrealized gain on re-measurement of short term investment to fair value	10.1	157,792,965	21,961,479
Realised gain on sale of short-term investment		79,159,430	-
Deferred income	25.1	1,315,410	1,315,460
Gain on disposal of operating fixed assets	8.3.2	27,903,169	13,824,141
Liabilities written back		-	10,048,111
Scrap sales		20,094,383	3,748,572
Reversal of expected credit losses	14.1	125,636	29,712,961
Other income		3,757,604	5,161,526
		441,506,392	185,197,255
38. FINANCE COSTS			
Finance cost on lease liabilities	22.3	69,727,016	53,266,208
Mark-up on Long-term loans		217,671,374	2,704,233
Bank charges		12,350,984	4,652,630
Mark-up on short term borrowings		107,202,828	92,360,065
Interest on Workers' (Profit) Participation Fund		429,012	877,348
		407,381,214	153,860,484

Consolidated Notes to the Financial Statements

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39. LEVY	Note	2024 Rupees	2023 Rupees
Levy			
Final tax	39.1	19,930,608	17,634,232

39.1 This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

39.2 Reconciliation of levy charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the statement of profit or loss is as follows:

	2024 Rupees	2023 Rupees
Current tax liability for the year as per applicable tax laws	1,598,781,581	1,048,482,138
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(1,578,850,973)	(1,030,847,906)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(19,930,608)	(17,634,232)
Difference	-	-

40. TAXATION

Current income tax:

Charge for the year	1,578,850,973	1,030,847,906
Prior year	(47,088,392)	(125,545,174)
	1,531,762,581	905,302,732

Deferred tax:

Relating to origination and reversal of temporary differences	92,290,535	(52,756,509)
Effect of deferred tax due to change in effective tax rate	-	(15,517,742)
Prior year	-	74,582,638
	92,290,535	6,308,387
	1,624,053,116	911,611,119

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40.1 Reconciliation of tax charge for the year

Numerical reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	2024 Rupees	2023 Rupees
Profit before tax	5,032,499,738	3,359,287,286
Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)	1,459,424,924	974,193,313
Effect of allowable / not allowable deductions	(111,706,241)	213,655,873
Tax Credit	(2,826,069)	(2,432,878)
Effect of amounts subject to fixed / final taxes	(55,945,602)	(478,520,164)
Effect of Super tax	386,015,171	255,677,511
Prior year income tax charge	(47,088,392)	(125,545,174)
Prior year deferred tax charge	(3,820,675)	74,582,638
Average tax expense charged to profit or loss	1,624,053,116	911,611,119
Average tax rate charged to profit or loss	32.27%	27.14%

40.2 The aggregate of final tax and income tax amounting to Rs. 1,598.753 million (2023: Rs. 1,048.482 million) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance 2001.

41. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:

		2024	2023
Profit after taxation	Rupees	3,388,516,014	2,447,676,167
Weighted average number of ordinary shares	Number of shares	52,983,363	52,983,363
Earnings per share	Rupees	63.95	46.20

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		2024	2023
42. CASH FLOWS FROM OPERATING ACTIVITIES	Note	Rupees	Rupees
Profit before taxation		5,012,569,130	3,359,287,286
Adjustments for non-cash and other items:			
Depreciation of operating fixed assets	8.1	346,673,521	266,072,951
Amortization of intangible assets	9.2	10,835,830	8,044,797
(Reversal) / provision for defined benefit obligation	25.2.2	(114,867,079)	104,740,675
Provision for slow moving and obsolete stocks	13.1	18,474,525	93,270,403
Provision for Workers' Profit Participation Fund	36	269,914,801	181,856,568
Provision for Workers Welfare Fund	36	88,083,811	64,789,699
Provision for Central Research Fund	36	52,545,188	38,951,668
Provision for sales tax refundable	38	88,092,012	-
Finance cost	37	407,686,357	153,853,857
Allowance / (reversal) for expected credit losses		35,153,061	(29,712,961)
Deferred income	37	(1,315,410)	(1,315,460)
Exchange (gain) / loss - net	37	(1,365,310)	42,208,950
Gain on disposal of property, plant and equipment	37	(27,903,168)	(13,824,141)
Liabilities written back	37	-	(10,048,111)
Un-realized gain on remeasurement of investments	17.1	(157,792,965)	(21,961,479)
Return on deposits	37	(72,261,078)	(21,011,724)
Dividend income on short term investment	37	(71,972,605)	(77,310,177)
		869,981,491	778,605,515
Cash flow before working capital changes		5,882,550,621	4,137,892,801
Working capital changes:			
(Increase) / decrease in current assets:			
Inventories		207,064,439	(1,027,866,082)
Trade debts		(290,326,651)	(846,612,655)
Advances, trade deposits and prepayments		28,857,877	384,984,392
Other receivables		(14,760,615)	19,138,438
Tax refund due from the Government		16,821,726	78,300,900
Increase / (decrease) in current liabilities:		-	-
Trade and other payables		924,790,773	249,984,990
Contract liabilities		160,076,321	12,343,686
		1,032,523,870	(1,129,726,331)
Cash generated from operations		6,915,074,491	3,008,166,470

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43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for remuneration, allowances including all benefits to the Chief Executive and Executives of the Group are as follows:

2024			2023		
Chief Executive	Director	Executives	Chief Executive	Director	Executives
-----Rupees-----					

Short-term employee benefits

Managerial remuneration	21,875,202	10,559,520	534,975,293	20,066,172	10,602,080	428,265,832
House allowance, utilities and Medical	7,954,116	3,840,480	275,717,541	10,033,092	3,197,920	224,534,834
Retirement benefits	5,924,228	799,247	37,131,172	6,827,328	665,967	65,285,512
Bonus	5,734,725	4,200,000	167,280,493	6,690,025	5,331,165	113,829,617
	41,488,271	19,399,247	1,015,104,499	43,616,617	19,797,132	831,915,795
Number of persons	1	1	201	1	1	137

43.1 In addition to the above, chief executive and certain other executives have been provided with free use of the Group maintained cars as per terms of employment. Further, medical expenses are reimbursed in accordance with the Group's policies.

43.2 Managerial remuneration includes Rs. 173.015 million (2023: Rs. 118.29 million) charged in the consolidated statement of profit or loss in respect of bonus to Chief Executive and Executives of the Group.

43.3 No meeting fee or other remuneration was paid to an Independent and Non-Executive Directors during the year.

43.4 The director is related to the Group's subsidiary.

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. Risk management is carried out by the Group finance and planning department under policies approved by the senior management.

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The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's exposure to financial risk, the way these risks affects the financial position and performance and the manner in which such risks are managed is as follows:

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board.

i) Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. This risk exist due to the Group's exposure resulting from outstanding future commercial transactions or receivables and payables.

The Group is exposed to exchange risk arising from currency exposures mainly with respect to currencies mentioned below on import of raw material, packing material and stores and spares and debtors against export sales. The Group's is exposed to foreign exchange risk as at 31 December 2023 as it has financial instruments denominated in currency other than the functional currency of the Group.

A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Group to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored.

The following analysis demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, of the Group's profit before tax.

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For The Year Ended 31 December 2024

	Changes in FC Rate	"Effects on profit before Tax 2024"	"Effects on profit before Tax 2023"
		Rupees	Rupees
Receivables - USD	+15%	6,199,980	1,748,998
	-15%	(6,199,980)	(1,748,998)
Receivables - AED	+15%	-	1,554
	-15%	-	(1,554)
Payables - Euro	+15%	6,334,390	29,780,179
	-15%	(6,334,390)	(29,780,179)
Payables - USD	+15%	80,861,965	38,345,320
	-15%	(80,861,965)	(38,345,320)
Bank balance - USD	+15%	11,205,440	10,349,096
	-15%	(11,205,440)	(10,349,096)
Cash in hand - Saudi Riyal	+15%	79,293	80,387
Cash in hand - Euro	+15%	870	58,172
Cash in hand - CNY	+15%	29,736	30,883

	Average rates		Reporting date rate	
Reporting date rate:	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
USD	280.21	254.11	278.55	281.86
Euro	300.79	276.35	290.08	311.50
JPY	1.89	1.85	1.78	1.99
AED	76.29	69.2	75.84	76.74
GBP	354.15	315.83	349.71	358.60
Saudi Riyal	74.65	67.68	74.14	75.16
CNY	38.9	36.1	38.16	39.63

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(ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from lease liabilities, long-term loan, short-term borrowings, cash at bank and short-term investments. Financial instruments obtained at variable rates expose the Group to cash flow interest rate risk. Financial instruments obtained at fixed rate expose the Group to fair value interest rate risk as at reporting date, none of the Group's financial instruments with fixed rates are measured at fair value. Sensitivity to interest rate risk arises from mismatch of financial assets and liabilities that mature or reprice in a given period. The Group analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Notes	2024 Rupees	2023 Rupees
Financial assets			
Variable rates instruments			
Cash and bank balances			
- deposit accounts	19	382,406,324	37,542,078
Short-term investments			
- term deposit receipts	17	166,929,713	469,669,677
Financial liabilities			
Variable rates instruments			
Lease liabilities	22	136,042,610	-
Long-term loan	23	447,716,085	714,112,381
Short-term loan	29	784,230,282	260,374,319
Fixed rates instruments			
Lease liabilities	22	50,803,192	-

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Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

	Changes in interest rate	"Effects on profit before tax 2024"	"Effects on profit before tax 2023"
	Percentage	Rupees	Rupees
Lease liabilities	+5	(6,802,131)	-
	-5	6,802,131	-
Long-term Loan	+5	22,385,804	35,705,619
	-5	(22,385,804)	(35,705,619)
Short-term investments - term deposit receipts	+5	8,346,486	23,483,484
	-5	(8,346,486)	(23,483,484)
Cash and bank balances - deposit accounts	+5	19,120,316	1,877,104
	-5	(19,120,316)	(1,877,104)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity price risk, which arises from investments measured at fair value through profit and loss. The management of the Group monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Group.

Fair value sensitivity analysis for Group's investment in mutual funds

The following analysis demonstrates the sensitivity to a reasonably possible change in fair values, with all other variables held constant, on the Group's profit before tax. This analysis is prepared assuming the amount of investment in mutual funds instruments outstanding at reporting dates were outstanding for the whole year.

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	Changes in Fair Value	"Effects on profit before tax 2024"	"Effects on profit before tax 2023"
		Rupees	
Short-term investments -	+5%	173,596,047	84,956,216
mutual funds	-5%	(173,596,047)	(84,956,216)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Credit risk of the Group arises principally from the trade receivables, loans and advances, trade and other deposits, short-term investments, other receivables, and balances with banks. The credit risk on liquid funds such as balances with banks is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Financial assets at amortized cost:		
Trade receivables	2,481,247,932	2,189,555,970
Advances to employees against salaries	26,014,292	8,372,019
Trade deposits	49,407,566	49,782,368
Other receivables	137,574,581	12,233,863
Short-term investments - Term deposit receipts	166,929,713	469,669,677
Bank balances	1,493,113,586	207,645,125
	4,354,287,670	2,937,259,022

(i) Trade receivables

Credit risk related to trade receivables is managed by established procedures and controls relating to customers credit risk management. Outstanding receivables are regularly monitored and shipments to foreign customers are covered by letters of credit. The maximum credit risk exposure at reporting date is carrying value of financial assets stated above.

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These mainly include customers which are counter parties to revenue arrangements. The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage different other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Geographical concentration of credit risk is as follows:

	2024	2023
	Rupees	Rupees
Pakistan	2,350,346,443	2,188,690,781
Kenya	28,731,369	-
Cambodia	424,992	-
Mauritius	11,361	-
Tanzania	89,664,744	-
Sudan	5,370,178	9,605
Afghanistan	6,698,845	855,584
	2,481,247,932	2,189,555,970

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

Trade receivables				
Less than or equal to 30 days	30-60 days	61-90 days	>90 days	Total
-----Rupees-----				

As at December 31, 2024

Estimated total gross carrying amount at default	1,799,663,479	518,395,714	102,411,144	60,777,595	2,481,247,932
Expected credit loss	21,606,196	10,143,061	6,010,854	19,891,393	57,651,504
Expected credit loss rate	1.20%	1.96%	5.87%	32.73%	

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Trade receivables				
<30 days	30-60 days	61-90 days	>90 days	Total
-----Rupees-----				

31 December 2023

Estimated total gross carrying

amount at default	1,402,418,296	758,385,831	19,482,993	9,268,850	2,189,555,970
Expected credit loss	10,137,620	9,965,190	1,354,068	915,929	22,372,807
Expected credit loss rate	0.72%	1.31%	6.95%	9.88%	

(ii) Financial instruments and balances with banks

Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees and utility companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Counter parties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, term deposits receipts and interest accrued. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

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	Rating			2024 Rupees	2023 Rupees
	Short term	Long term	Agency		
Bank balances:					
Allied Bank Limited	A-1+	AAA	PACRA	70,929	704,215
National Bank of Pakistan	A-1+	AAA	PACRA	6,086	6,086
Askari Bank Limited	A-1+	AA+	PACRA	12,479,148	10,887,856
Bank Al Habib Limited	A-1+	AAA	PACRA	18,730	18,730
Bank Alfalah Limited	A-1+	AAA	PACRA	257	-
Habib Bank Limited	A-1+	AAA	VIS	219,721,606	103,376,956
Dubai Islamic Bank	A-1+	AA	VIS	111,000,449	-
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	19,982,973	64,081,062
JS Bank Limited	A-1+	AA	PACRA	1,230,608	1,440,181
MCB Bank Limited	A-1+	AAA	PACRA	3,811,028	432,733
Meezan Bank Limited	A-1+	AAA	VIS	1,118,797,167	23,614,543
Mobilink Microfinance Bank Limited	A-1	A	PACRA	2,342,995	2,848,634
Summit Bank	A-3	BBB-	VIS	25,259	4,620
Standard Chartered Bank	A-1+	AAA	PACRA	402,382	-
				3,223,969	229,509
				1,493,113,586	207,645,125
Short-term investments					
Askari Bank Limited	-	AA+	PACRA	7,200,000	-
First Habib Modaraba	A-1+	AA+	PACRA - VIS	159,729,713	469,669,677

Being investment grade, the Group has assessed expected credit losses for balances with banks for 12 month period. Based on external credit ratings, the Group has estimated that allowance for expected credit losses is trivial to the financial statements and accordingly has not been recognised.

(iii) Other financial assets

Other financial assets mainly comprise of long-term and short-term deposits, other receivables and advances / loans to employees. The Group has assessed, based on historical experience, that the expected credit loss associated with these financial assets is trivial and therefore, no expected credit loss has been recognized on these financial assets. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

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Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

(iv) Investment in Mutual Funds

The external credit rating of mutual funds in whose units the Group has invested its funds is as follows:

	Rating		2024 Rupees	2023 Rupees
	Long term	Agency		
Short-term investments - mutual funds				
ABL Cash Fund	AA+(f)	PACRA	41,029	-
ABL Fixed Rate Plan VIII	AA+(f)	PACRA	105,783,000	-
ABL Fixed Rate Plan XII	AA+(f)	PACRA	538,395,881	-
ABL Government Securities Funds B	AA+(f)	PACRA	124	-
ABL Special Savings	CP2+(f)	PACRA	-	117,724,267
AL Habib Income Fund	AA(f)	PACRA	119,084,173	100,055,093
Alfalah GHP Money Market Fund	AA+(f)	PACRA	520,888,356	51,438,071
Alfalah GHP Sovereign Fund	AA-(f)	PACRA	-	100,101,725
Atlas Money Market Fund	AA+(f)	PACRA	-	102,148,457
Faysal Money Market Fund	AA(f)	PACRA	303,365	262,238
HBL Money Market Fund	AA+(f)	VIS	618,572	531,713
JS Cash Fund	AA+(f)	PACRA	63,251	53,277
Lakson Income Fund	A+(f)	PACRA	130,231,350	43,855,478

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	Rating		2024 Rupees	2023 Rupees
	Long term	Agency		
Lakson Money Market Fund	AA+(f)	PACRA	-	105,612,052
MCB Cash Management Optimizer Fund	AA+(f)	PACRA	215,329,898	86,119,069
NBP Financial Sector Income Fund	A+(f)	PACRA	122,532,634	103,093,716
NBP Money Market Fund	AA(f)	PACRA	522,825	315,194
NIT Income Fund	AA-(f)	PACRA	50,000,000	-
NIT Money Market Fund	AAA(f)	PACRA	-	103,139,785
NIT-Govt. Bond Fund	AA(f)	PACRA	575,819,378	-
NIT-Social Impact Fund	A+(f)	VIS	450,313,164	-
Pak Qatar Income Plan	AA-(f)	PACRA	385,598,185	-
UBL Al Amin Shariah Fund	AA+(f)	VIS	2,944	-
UBL Government Securities Fund	AA(f)	VIS	-	150,136,405
UBL Income opportunity Fund	AA-(f)	VIS	-	509,258,226
UBL Liquidity Plus Fund	AA+(f)	VIS	130,968	125,279,559
UBL Money Market Fund	AA+(f)	VIS	256,261,836	-
			3,471,920,933	1,699,124,325

The Group estimates the change in fair value of the Group's investment in mutual funds is not attributable to the changes in the credit risk of the related mutual funds.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Group finances its operations through equity, borrowings and working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Group's finance department aims at maintaining flexibility in funding by keeping regular committed credit lines available. The management uses different methods which assists it in monitoring cash flow requirements and optimizing the return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains an unavailed lines of credit.

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The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	within 1 year	1 to 2 years	2 to 5 years	More than 5 years
As at December 31, 2024	-----Rupees-----					
Lease liabilities	136,042,610	676,557,267	197,327,913	255,014,554	191,652,430	32,562,370
Long-term loan	447,716,085	1,131,683,352	224,932,197	296,760,657	608,036,279	1,954,219
Short term borrowings	784,230,282	784,230,282	784,230,282	-	-	-
Trade and other payables	2,315,297,901	2,315,297,901	2,315,297,901	-	-	-
Unclaimed dividend	210,193,857	210,193,857	210,193,857	-	-	-
Unpaid dividend	-	-	-	-	-	-
	3,893,480,735	5,117,962,659	3,731,982,150	551,775,211	799,688,709	34,516,589

	Carrying amount	Contractual cash flows	within 1 year	1 to 2 years	2 to 5 years	More than 5 years
31 December 2023	-----Rupees-----					
Lease liabilities	528,560,365	676,557,267	197,327,913	255,014,554	191,652,430	32,562,370
Long-term Loan	714,112,381	1,131,683,352	224,932,197	296,760,657	608,036,279	1,954,219
Short term borrowings	260,374,319	260,374,319	260,374,319	-	-	-
Trade and other payables	1,435,909,732	1,435,909,732	1,435,909,732	-	-	-
Unclaimed dividend	138,561,386	138,561,386	138,561,386	-	-	-
Unpaid dividend	111,299,848	111,299,848	111,299,848	-	-	-
	3,188,818,031	3,754,385,904	2,368,405,395	551,775,211	799,688,709	34,516,589

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

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44.2 Financial instruments by categories

2024		
AT FVTPL	Amortized cost	Total

-----Rupees-----

Assets as per consolidated statement of financial position:

Long-term deposits	-	25,566,894	25,566,894
Loan to employees		65,250,481	65,250,481
Advances	-	26,014,292	26,014,292
Trade debts	-	2,423,596,428	2,423,596,428
Trade deposits	-	23,840,672	23,840,672
Other receivables	-	137,574,581	137,574,581
Cash and bank	-	1,493,747,356	1,493,747,356
Short-term Investments	3,471,920,933	166,929,713	3,638,850,646
	3,471,920,933	4,362,520,417	7,834,441,350

2023		
AT FVTPL	Amortized cost	Total

-----Rupees-----

Assets as per consolidated statement of financial position:

Long-term deposits	-	24,143,429	24,143,429
Loan to employees	-	57,243,399	57,243,399
Advances		8,372,019	8,372,019
Trade debts	-	2,167,183,163	2,167,183,163
Trade deposits	-	25,638,939	25,638,939
Other receivables	-	12,233,863	12,233,863
Cash and bank	-	212,552,586	212,552,586
Short-term Investments	-	469,669,677	2,168,794,002
	1,699,124,325	2,977,037,075	4,676,161,400

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	2024	2023
	At amortized cost	
	-----Rupees-----	
Liabilities as per consolidated statement of financial position:		
Lease liabilities	136,042,610	528,560,365
Long-term Loan	447,716,085	714,112,381
Unclaimed dividend	210,193,857	138,561,386
Short term borrowings	784,230,282	260,374,319
Trade and other payables	2,315,297,901	1,435,909,732
	3,893,480,735	3,077,518,183

45. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Group defines as operating income divided by total capital employed.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Group's objectives, policies or processes to capital management during the year nor the Group is subject to externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital employed. It includes within net debt, interest bearing loans and borrowings, trade and other payables and accrued markup.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

The debt - to - equity ratio as at 31 December is as follows

	2024 Rupees	2023 Rupees
Long-term loan	447,716,085	714,112,381
Lease liabilities	136,042,610	528,560,365
Trade and other payables	2,315,297,901	2,055,832,586
	2,899,056,596	3,298,505,332
Add: Short term borrowings	784,230,282	260,374,319
Less: Cash and short-term deposits	(1,493,747,356)	(204,337,732)
Net debt	2,189,539,522	3,354,541,919
Share capital	529,833,630	529,833,630
Revaluation surplus on operating fixed assets	1,077,558,758	899,339,441
Revenue reserves	10,187,737,871	8,167,526,233
	11,795,130,259	9,596,699,304
Total capital employed	13,984,669,781	12,951,241,223
Gearing ratio	16%	26%

46. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long-term loan	Lease liabilities	Total
As at December 31, 2024	-----Rupees-----		
Opening balance	714,112,381	528,560,365	1,242,672,746
Additions during the year	-	104,224,550	104,224,550
Cash flows - net	(266,396,296)	(566,469,321)	(832,865,617)
Finance cost	-	69,727,016	69,727,016
Closing balance	447,716,085	136,042,610	583,758,695

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Long-term loan	Lease liabilities	Total
As at December 31, 2023	-----Rupees-----		
Opening balance	18,008,677	258,014,081	276,022,758
Additions during the year	700,000,000	438,794,892	1,138,794,892
Cash flows - net	(3,896,296)	(221,514,816)	(225,411,112)
Finance cost	-	53,266,208	53,266,208
Closing balance	714,112,381	528,560,365	1,242,672,746

47. FAIR VALUE MEASUREMENT

47.1 Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

	Fair value measurement using			
	Quoted price in active market	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
31 December 2024	-----Rupees-----			
Short-term investment	3,471,920,933	-	-	3,471,920,933
Revalued Property, plant and equipment				
Land-freehold	-	764,495,000	-	764,495,000
Building on freehold land	-	-	404,291,000	404,291,000
Plant and machinery	-	-	1,150,774,000	1,150,774,000
Total	3,471,920,933	764,495,000	1,555,065,000	5,791,480,933

	Fair value measurement using			
	Quoted price in active market	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
31 December 2023	-----Rupees-----			
Short-term investment	1,699,124,325	-	-	1,699,124,325
Revalued Property, plant and equipment:				
Land- freehold	-	764,495,000	-	764,495,000
Building on freehold land	-	-	404,291,000	404,291,000
Plant and machinery	-	-	1,150,774,000	1,150,774,000
Total	1,699,124,325	764,495,000	1,555,065,000	4,018,684,325

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 8 and Note 21, respectively to these financial statements. There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

47.2 Valuation techniques used to derive level 2 and level 3 fair values

The Group obtains independent valuations for its certain classes of property, plant and equipment (more particularly described below) at least every three years. At the end of each reporting period, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per kanal. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery has been determined using a depreciated replacement cost approach, whereby, the current replacement cost of items of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Description	2024 Rupees	2023 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Revalued Property plant and equipment				
Land - freehold	764,495,000	764,495,000	Cost of acquiring a new similar land considering price per kanal of immediate neighbourhood and neighbouring properties which have been recently purchased or sold.	Higher, the estimated cost of acquisition of similar land, higher the fair value.
Building on freehold land	404,291,000	404,291,000	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	1,150,774,000	1,150,774,000	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

47.3 Fair value of financial instruments

The carrying value of the Group's financial assets and liabilities measured at their amortized cost approximate their fair values, largely due to short term maturities of these instruments. The management assessed that fair value of loans and advances, short term deposits and investments, interest accrued, trade and other receivables, cash and bank balances, trade and other payables and accrued finance cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

48. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprise associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel (Note 43). Balances and transactions with related parties and associated Group are as follows:

48.1 Transactions during the year:

Undertaking	Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Route 2 Health (Pvt) Ltd	Associate	Purchases	44,894,204	559,899,883
	(Common directorship and	Payments	42,741,032	516,433,451
	shareholder of 0.45% (2023:1.29%))	Dividend paid	-	9,156,200
Pharmatec	Associate	Dividend declared	132,487,260	69,822,020
Investments Limited	(Common directorship and	Dividend paid	243,787,108	21,996,752
	shareholder of 8.34% (2023:8.34%))			
Staff Provident Fund	Employee benefit fund	Contribution for the year	86,207,346	84,835,509
		Dividend paid	6,406,500	3,376,300
Workers' Profit Participation Fund	Employee benefit fund	Charge for the year	269,914,801	181,856,568
Employees' Welfare Trust	Employee benefit fund	Contribution for the year	3,775,483	4,084,934
		Dividend paid	7,743,690	1,331,652

48.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Route 2 Health (Pvt) Ltd	Associate	Payables	2,153,172	-
Pharmatec	Associate	Prepayments	-	111,299,848
Investments Limited				
Staff Provident Fund	Employee benefit funds	Trade and other payables	18,195,248	11,862,140
Workers' Profit Participation Fund	Employee benefit funds	Trade and other payables	8,793,955	181,856,569

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

48.3 Transactions with key management personnel under the terms of employment are excluded from related party transactions.

49. NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the end of the year	2,376	2,396
Average number of employees during the year	2,386	2,440

50. CORRESPONDING FIGURES

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

Reclassification from	Reclassification to	Amount (Rupees)
Statement of financial position		
Sales tax refundable	Other receivables/ sales tax recoverable	107,401,766
Statement of Profit and loss		
Taxation	Levy	19,902,052

The impact of above reclassifications has also been accounted for in the statement of cashflows.

51. PLANT CAPACITY AND PRODUCTION

Annual production	2024 Million units	2023 Million units
Packs solids	72.27	72.19
Packs liquids	18.72	17.67
Packs drops	9.45	7.04
Packs suspension	10.02	6.98
Packs devices	0.93	0.59
Packs sachets	0.50	0.39
Packs cream	0.06	0.05
	111.95	104.91

The production capacity of the Group's plants is indeterminable as these are multi-product plants involving varying processes of manufacture. The Group's production was according to market demand.

52. SEGMENT REPORTING

The chief operating decision maker (i.e., the Board of Directors) considers the whole business as one operating segment.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2024

53. EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Group in its meeting held on 26th March, 2025 has proposed cash dividend at the rate of Rs. 40 (2023: Rs. 30) per share and nil bonus shares for the year ended December 31, 2024, (2023: nil) subject to the approval of shareholders in the Annual General Meeting to be held on 29th April, 2025. These consolidated financial statements do not reflect these appropriations.

54. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	2024 Rupees	2023 Rupees
Statement of financial position -Financing obtained as per Islamic mode:		
Short term financing	784,230,282	188,106,578
Long term musharakah	85,239,418	346,006,820

Relationships with banks having Islamic window

Bank Name	Region	Nature of transactions
First Habib Modaraba	Pakistan	Long term diminishing Musharakah
Meezan Bank Limited	Pakistan	Short term financing

55. The Group has maintained separate provident fund. The investment out of provident fund is made in accordance with the requirements of Section 218 of Companies Act, 2017.

56. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Group authorized these consolidated financial statements for issuance on 26th March, 2025.

57. GENERAL

The figures in these consolidated financial statements are rounded off to the nearest rupee, unless otherwise stated.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq P. Alidina
Chief Financial Officer

Secretarial Practices



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting (AGM) of Highnoon Laboratories Limited will be held on Tuesday, 29th April, 2025, at 11:00 a.m. at the Company's Registered Office; 17.5 Kilometer, Multan Road, Lahore, and via video link facility to transact the following businesses:

ORDINARY BUSINESS

1. To confirm minutes of the last Extra Ordinary General Meeting held on Monday, 02nd September 2024.
2. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements of the Company for the year ended 31st December, 2024.
3. To approve the payment of final cash dividend of Rs. 40 per share i.e. @ 400 % for the year ended 31st December, 2024, as recommended by the Board of Directors of the Company.
4. To appoint Company's Auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the appointment of BDO Ebrahim & Co. Chartered Accountants as auditors of the Company for the financial year ending 31st December 2025.

SPECIAL BUSINESS

5. To consider, ratify and approve the transactions carried out with related parties during financial year ended 31st December, 2024 under the authority of the special resolution passed in the Annual General Meeting held on 29th April, 2024 and to authorize the Chief Executive Officer to approve all the transactions with the related parties carried out or to be carried out during the financial year ending 31st December, 2025 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, resolutions as Special Resolutions as proposed in the Statement of Material Facts.
6. To consider, and if thought fit, to pass with or without modification, a resolution as a Special Resolution, as proposed in the statement of material facts attached with this notice, to substitute the Article 79 & 79 A of the Articles of Association of the Company.

OTHER BUSINESS

7. To discuss any other business with the permission of the Chair.

Attached to this Notice is a statement of material facts along with draft resolutions proposed to be passed as special resolutions in relation to the aforesaid special businesses, as required under Section 134(3) of the Companies Act, 2017.

*No gifts will be distributed in the meeting.

By order of the Board

Baqar Hasan

Lahore

Senior General Counsel &
Company Secretary

07th April 2025

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed from 22nd April, 2025 to 29th April, 2025 (both days inclusive). Transfers received in order at the office of our Share Registrar, Corplink (Pvt.) Limited, Wings Arcade, 1K Commercial, Model Town, Lahore by the close of business on 21st April, 2025 will be treated in time to determine the entitlement and to attend, speak and vote at AGM.

2. PARTICIPATION IN THE AGM THROUGH VIDEO LINK FACILITY

The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 4 dated February 15, 2021 and circular No. 6 dated March 03, 2021 has directed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to allow physical attendance by the members. The members who are willing to attend and participate in the AGM can do so through video-link via smartphones, computers, tablets, etc. To attend the AGM through video-link, members are requested to get their following particulars registered by sending an email or WhatsApp at the number/address given below, at least 48 hours before the time of the AGM, and download video-link from <https://zoom.us/download>.

Name	Folio/CDC Account No.	CNIC No	Cell phone	Email
Signature of Member				
WhatsApp		Email		
0344-4445334		investor.relations@highnoon.com.pk		

Upon receipt of requests, the video-link login credentials will be shared with the interested shareholders on their email addresses or WhatsApp messages. The members can send their comments/ suggestions related to the agenda items of the meeting through the above-mentioned means.

3. ATTENDING THE AGM AND APPOINTMENT OF PROXIES

All CDC accountholders shall authenticate their identity by showing the original CNIC at the time of attending the meeting. In the case of a corporate entity, a certified copy of the resolution of the Board of Directors / valid Power of Attorney having the name and specimen signature of the nominee should be produced at the time of the meeting.

A member entitled to attend and vote at this meeting may appoint another member as a proxy to attend and vote instead of him. The instrument of proxy must be received at the Registered Office of the Company, 17.5 K.M. Multan Road, Lahore not less than 48 hours before the time of holding the meeting. Members are advised to immediately intimate any change in their address to our Share Registrar Corplink (Pvt.) Limited. Members may download and print the proxy form from the Company's website.

4. WITHHOLDING TAX ON DIVIDEND

To enable the Company to make a tax deduction on the amount of cash dividend at the respective rates of filer and non filer, all shareholders who are filers of tax return are advised to make sure that their names are entered in the Active Taxpayers List (ATL) provided on the website of FBR. Corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our Share Registrars Corplink (Pvt.) Ltd. The FBR vide its clarification letter no 1(54) Exp / 2014-132872-R of September 25, 2014 has clarified that holders of shares held in joint accounts will be treated individually as filers or non-filers and tax will be deducted according to the proportionate holding of each shareholder.

5. ELECTRONIC DIVIDEND MANDATE AND CNIC

In compliance with S.R.O. 1145(I) 2017 of SECP and Section 242 of the Companies Act 2017, it is mandatory to make payment of any cash dividend through electronic mode by directly crediting the dividend amount in the shareholder's designated bank account. The shareholders who have not yet provided details of their bank account are once again requested to provide the details giving Name of designated Bank, Branch Name and Address, Title of Account and IBAN No. along with a valid copy of CNIC. CDC shareholders are requested to have their bank account details updated with their respective participants and physical shareholders send the details to the Company or our Share Registrar Corplink (Pvt.) Ltd. Please mention the Company name and Folio No. while sending the details of the Bank Account.

In compliance with a regulatory requirement, the dividend will not be paid to the shareholders whose CNIC Nos. are not available with the Company. Shareholders who have not yet provided a copy of their CNIC are requested to provide the same to our Share Registrar Corplink (Pvt.) Limited at the earliest.

6. ELECTRONIC VOTING

In accordance with the Companies (Postal Ballot) Regulation, 2018, (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations.

Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on April 21, 2025 by Corplink (Pvt.) Limited being the e-voting service provider.

Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

Members shall cast vote online from April 26, 2025 from 9.00 a.m. until April 28, 2025 until 5:00 p.m. Voting shall close on April 28, 2025, at 5:00 p.m. Once the vote on

the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently.

7. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website [<https://highnoon-labs.com/>] to download.

The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, 17.5 kms, Multan Road, Lahore or email at investor.relations@highnoon.com.pk one day before the AGM, i.e., April 28, 2025 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

8. CONSENT FOR VIDEO CONFERENCING FACILITY

According to Section 132(2) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days before the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

9. FINANCIAL STATEMENTS

Members are hereby informed that according to SECP SRO 787(1)/2014 dated September 8, 2014, and under Section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through QR Code. In compliance with the above requirements, QR Code of the Annual Report 2024 are being emailed to the members who have opted to receive such communication in electronic format. Other members who wish to receive the Annual Report 2024 in electronic form may apply as per the format provided on the Company's website. The members who have provided consent to receive the Annual Report through email can subsequently request a hard copy which shall be provided free of cost within seven days. Members are also requested to intimate any change in their registered email addresses on time, to ensure effective communication by the Company.

Annual Audited Financial Statements for the year ended December 31, 2024 along with Directors' and Auditors' Report of the Company have also been placed on the Company's website, i.e. www.highnoon-labs.com.

QR Code for Annual Report 2024:



10. REPLACEMENT OF PHYSICAL SHARES INTO CDC ACCOUNT

Members, who hold physical shares, are advised to convert their shares into electronic form in terms of Section 72 of the Companies Act, 2017.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on 29th April, 2025.

Item 5 of the Agenda: Approval & Authorization of Related Party Transactions

To consider and if deemed fit, ratify and approve (as the case may be), the following resolution, as special resolutions, with respect to related party transactions/ arrangements conducted, in terms of Section 207 and/ or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

Undertaking	Relation	Nature of Transaction	2024	2023
Route 2 health (Pvt) Limited	Associate	Purchases	44,894,204	559,943,451
Route 2 health (Pvt) Limited	Associate	Payments	42,741,032	516,433,451
Route 2 health (Pvt) Limited	Associate	Dividend Paid	-	9,156,200
Route 2 health (Pvt) Limited	Associate	Payables	2,153,172	-
Curexa Health (Pvt) Limited	Subsidiary	Purchases-net	94,816,547	596,285,580
Curexa Health (Pvt) Limited	Subsidiary	Transfer of solar	11,574,291	-
Curexa Health (Pvt) Limited	Subsidiary	Payments	83,785,049	608,624,930
Curexa Health (Pvt) Limited	Subsidiary	Receipts during the Year	6,872,574	-
Curexa Health (Pvt) Limited	Subsidiary	Expenses incurred on behalf	7,189,855	-
Curexa Health (Pvt) Limited	Subsidiary	Loan payment received	10,000,000	-
Curexa Health (Pvt) Limited	Subsidiary	Interest on loan to subsidiary	305,142	2,243,055
Curexa Health (Pvt) Limited	Subsidiary	Other receivables	11,574,291	2,575,244
Curexa Health (Pvt) Limited	Subsidiary	Accured markup receivable	-	609,720
Curexa Health (Pvt) Limited	Subsidiary	Trade and Other payables	7,361,340	-

Related party transactions carried out with Route 2 Health (Pvt) Limited and Curexa Health (Pvt) Limited (wholly owned subsidiary) in the ordinary course of business, these transactions were executed during the financial year ended December 31st, 2024 under the authority of the Special Resolution passed in the Annual General Meeting held on 29th April, 2024. All related party transactions were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Accordingly, these transactions are being placed before the members of the Company for their approval pursuant to the aforesaid special resolution.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

Purpose:

In order to obtain the requisite permissions and approvals under Section 207 and / or 208 of the Companies Act 2017 and to apprise the members of the Company with the related parties' transactions being carried out and to ensure compliance with the applicable law. The transactions for the Year 2024 have been specified under Note 49 of the financial statements, have been provided hereunder:

"Resolved that the transactions carried out in the ordinary course of business with Route 2 Health (Pvt) Limited and Curexa Health (Pvt) Limited (wholly owned subsidiary) during the financial year ended December 31st, 2024 be and are hereby ratified, approved and confirmed."

Further, The Company shall continue to carry out transactions with the related parties in its ordinary course of business during the year ending December 31st, 2025 and till the date of next Annual General Meeting.

The shareholders may authorize the Chief Executive Officer to approve transactions with Route 2 Health (Pvt) Limited and Curexa Health (Pvt) Limited (wholly owned subsidiary) during the financial year ending December 31st, 2025 and till the date of next annual general meeting. However, these transactions shall be placed before the shareholders in the next Annual General Meeting for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

“Resolved that, The Company be and is hereby authorized to carry out transactions with Route 2 Health (Pvt) Limited and Curexa Health (Pvt) Limited (wholly owned subsidiary), related parties as and when required during the year ending December 31st, 2025 and till the date of next Annual General Meeting without any limitation on amounts of transaction and the Chief Executive Officer of the Company be and is hereby authorized to undertake the transactions to be conducted with the Related Parties and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement this resolution.

Resolved further that these transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification/approval.”

Item 06 of the Agenda: To amend the Article 79 & 79 A of the Articles of Association of the Company.

In order to allow the Board of Directors of the Company to approve meeting fee to be paid to directors as per industry norms and practices, and acquisition of minimum qualification shares as per Companies Act 2017, the Board of Directors of the Company has recommended to substitute the Article 79 & 79A of the Articles of Association of the Company accordingly.

Comparative Analysis

Existing Article 79 of the Articles of Association

79. The remuneration of a Director other than regular paid director for his services shall be such sum as may be fixed by the Directors, but not exceeding Rs. 500/- for each meeting attended by him. No such remuneration shall be paid to the Chief Executive Officer and other Directors who work whole time on remuneration for the Company.
- 79 A. The qualification of a Director shall be holding of shares in the company of the nominal value of Rs. 5,000 (Five thousand only) at least in his own name relaxable in the case of directors representing interest holding shares of requisite value.

Proposed Article 79 of the Articles of Association

79. The remuneration of a Director other than regular paid director for his services shall be such sum as may be fixed by the Directors, for each meeting attended by him. No such remuneration shall be paid to the Chief Executive Officer and other Directors who work whole time on remuneration for the Company.

- 79A. The director must be a member provided that this clause shall not apply in the case of a person representing a member which is not a natural person, a whole time director who is an employee of the company, a Chief Executive Officer or a person representing a creditor or other special interests by virtue of contractual arrangements.

Reason for Amendment in Articles of Association:

In order to allow the Board of Directors of the Company to approve meeting fee to be paid to directors as per industry norms and practices, and acquisition of minimum qualification shares as per Companies Act 2017, for which the alteration in Article 79 & 79 A of the Articles of Association of the Company has been recommended for approval of members.

Interest of directors

The Directors of the Company have no interest, directly or indirectly, in this Special Business and/or Special Resolution except in their capacities as directors / Chief Executive Officer / shareholders.

The following resolution is proposed to be passed:

“Resolved that pursuant to the applicable provisions of the Companies act, 2017, Article 79 & 79 A of the existing Articles of Association of the Company be and is hereby substituted to read as follows:

79. The remuneration of a Director other than regular paid director for his services shall be such sum as may be fixed by the Directors, for each meeting attended by him. No such remuneration shall be paid to the Chief Executive Officer and other Directors who work whole time on remuneration for the Company.
- 79 A. The director must be a member provided that this clause shall not apply in the case of a person representing a member which is not a natural person, a whole time director who is an employee of the company, a chief executive or a person representing a creditor or other special interests by virtue of contractual arrangements.

Further resolved that the Chief Executive Officer and / or any Director and / or Company Secretary and Chief Financial Officer of the Company be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.

Further resolved that the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval of members."

Statement of the Board of Directors

We, the members of the Board of Directors of the Company hereby confirm that the proposed amendment in Articles of Association of the Company is in line with the applicable provisions of the laws and regulatory framework.

Availability of Relevant Documents and Inspection

A copy each of the existing and amended Articles of Association identifying the changes proposed therein bearing the initial of the company secretary for identification purposes is attached herewith. A copy thereof and the documents pertaining to proposed special resolution are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the extraordinary general meeting. The same shall also be available for inspection by the members in the extraordinary general meeting

سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے سال 31 دسمبر 2024، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ، کمپنی کی ویب سائٹ www.highnoon-labs.com پر بھی دستیاب ہیں۔

کم 7 دن قبل رضامندی موصول ہو، تو کمپنی اس شہر میں ویڈیو کانفرنسنگ کی سہولت فراہم کرے گی، بشرطیکہ اس شہر میں یہ سہولت دستیاب ہو۔

9. مالیاتی گوشوارے:

ممبران کو مطلع کیا جاتا ہے کہ SECP کے SRO نمبر 2014/(1) 787 مؤرخہ 8 ستمبر 2014 اور کمپنیز ایکٹ 2017 کے سیکشن 223(6) کے تحت آڈٹ شدہ مالیاتی گوشواروں اور سالانہ اجلاس عام کے نوٹس کی الیکٹرانک فارمیٹ میں QR کوڈ کے ذریعے ترسیل کی اجازت دی گئی ہے۔ ان تقاضوں کی تعمیل میں، سالانہ رپورٹ 2024 کا QR کوڈ ان ممبران کو ای میل کیا جا رہا ہے جنہوں نے الیکٹرانک فارمیٹ میں یہ معلومات حاصل کرنے کی درخواست کی ہے۔ دیگر ممبران جو سالانہ رپورٹ 2024 الیکٹرانک فارمیٹ میں حاصل کرنا چاہتے ہیں، وہ کمپنی کی ویب سائٹ پر فراہم کردہ طریقہ کار کے مطابق درخواست دے سکتے ہیں۔ وہ ممبران جنہوں نے ای میل کے ذریعے سالانہ رپورٹ وصول کرنے کی رضامندی دی ہے، بعد ازاں ہارڈ کاپی بھی بلا معاوضہ حاصل کر سکتے ہیں، جو سات دن کے اندر فراہم کی جائے گی۔ مزید برآں، ممبران سے درخواست ہے کہ وہ اپنی رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی سے بروقت مطلع کریں تاکہ کمپنی کی جانب سے موثر مواصلات کو یقینی بنایا جاسکے۔



سالانہ رپورٹ 2024 کے لیے کیو آر کوڈ:

10. فزیکل شیئرز کو سی ای اکاؤنٹ میں تبدیلی:

وہ ممبران جو فزیکل شیئرز کے حامل ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت اپنے شیئرز کو الیکٹرانک فارمیٹ میں تبدیل کر لیں۔

درخواست موصول ہونے پر، ویڈیولنک کے لاگ ان کی تفصیلات متعلقہ شیئر ہولڈرز کو ای میل یا واٹس ایپ پیغام کے ذریعے بھیج دی جائیں گی۔ ممبران اجلاس کے ایجنڈا آئٹمز سے متعلق اپنی رائے یا تجاویز بھی مذکورہ بالا ذرائع کے ذریعے بھیج سکتے ہیں۔

3. AGM میں شرکت اور پراکسی کی تقرری:

تمام CDC اکاؤنٹ ہولڈرز اجلاس میں شرکت کے وقت اپنی اصل شناختی کارڈ (CNIC) دکھا کر اپنی شناخت کی تصدیق کریں گے۔ کارپوریٹ شیئر ہولڈرز کو اجلاس کے وقت بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد یا مجاز نمائندے کے لیے پاور آف اٹارنی کی تصدیق شدہ کاپی جمع کرانی ہوگی، جس میں نام اور دستخط موجود ہوں۔

جو ممبران اجلاس میں شرکت اور ووٹنگ کا حق رکھتے ہیں، وہ اپنی جگہ کسی دوسرے ممبر کو پراکسی (وکیل) مقرر کر سکتے ہیں۔ پراکسی فارم کمپنی کے رجسٹرڈ دفتر، 17.5 کلومیٹر، ملتان روڈ، لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرایا جانا ضروری ہے۔ ممبران کو مشورہ دیا جاتا ہے کہ وہ اپنے پتے کی تبدیلی سے متعلق معلومات فوری طور پر شیئر رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو فراہم کریں۔ پراکسی فارم کمپنی کی ویب سائٹ سے ڈاؤن لوڈ اور پرنٹ کیا جاسکتا ہے۔

3. ڈیویڈنڈ پر وڈ ہولڈنگ ٹیکس:

کمپنی کو نقد ڈیویڈنڈ کی رقم پر فائلر اور نان فائلر کے متعلقہ شرح کے مطابق ٹیکس کٹوتی کرنے کے قابل بنانے کے لیے، تمام شیئر ہولڈرز جو ٹیکس ریٹرن کے فائلر ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کا نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹیو ٹیکس پیئر زسٹ (ATL) میں شامل ہو۔ سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز کو لازم ہے کہ وہ اپنا این ٹی این اپنے متعلقہ شرکاء کے ساتھ اپڈیٹ کروائیں، جبکہ کارپوریٹ فریکل شیئر ہولڈرز کو چاہیے کہ وہ اپنے این ٹی این سرٹیفکیٹ کی کاپی ہمارے شیئر رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو بھیجیں۔ ایف بی آر نے اپنے وضاحتی لیٹر نمبر 1(54) Exp/ 2014-132872-R مورخہ 25 ستمبر 2014 کے ذریعے وضاحت کی ہے کہ جو اسٹاک اکاؤنٹ میں رکھے گئے شیئرز کے حامل افراد کو انفرادی طور پر فائلر یا نان فائلر کے طور پر شمار کیا جائے گا اور ہر شیئر ہولڈر کی مناسب ملکیت کے مطابق ٹیکس کی کٹوتی کی جائے گی۔

4. الیکٹرانک ڈیویڈنڈ مینڈیٹ اور سی این آئی سی:

SECP کے ایس آر او نمبر (2017) (1) 1145 اور کمپنیز ایکٹ 2017 کے سیکشن 242 کی تعمیل میں، یہ لازم ہے کہ کسی بھی نقد ڈیویڈنڈ کی ادائیگی الیکٹرانک طریقے سے براہ راست شیئر ہولڈر کے نامزد بینک اکاؤنٹ میں کی جائے۔ وہ شیئر ہولڈرز جنہوں نے ابھی تک اپنے بینک اکاؤنٹ کی تفصیلات فراہم نہیں کیں، انہیں ایک بار پھر درخواست کی جاتی ہے کہ وہ نامزد بینک اکاؤنٹ، برانچ کا نام اور پتہ، اکاؤنٹ کا عنوان اور IBAN نمبر کے ساتھ اپنا درست سی این آئی سی فراہم کریں۔ سی ڈی سی شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے بینک اکاؤنٹ کی تفصیلات اپنے متعلقہ شرکاء کے ساتھ اپڈیٹ کروائیں، جبکہ فریکل شیئر ہولڈرز اپنی تفصیلات کمپنی یا ہمارے شیئر رجسٹرار، میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو بھیجیں۔ براہ کرم بینک اکاؤنٹ کی تفصیلات بھیجے وقت کمپنی کا نام اور فوئیو نمبر ضرور درج کریں۔

ریگولیٹری تقاضوں کی تعمیل میں، ان شیئر ہولڈرز کو ڈیویڈنڈ ادائیگی نہیں کیا جائے گا جن کے سی این آئی سی نمبرز کمپنی کے ریکارڈ میں موجود نہیں ہیں۔ وہ شیئر ہولڈرز جنہوں نے ابھی تک اپنا سی این آئی سی فراہم نہیں کیا، ان سے درخواست کی جاتی ہے کہ وہ جلد از جلد ہمارے شیئر رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو فراہم کریں۔

6. الیکٹرانک ووٹنگ:

کمپنیز (پوشل بیلٹ) ریگولیشن، 2018 («ریگولیشنز») کے مطابق، ہر لسٹڈ کمپنی کے اراکین کو الیکٹرانک ووٹنگ کی سہولت اور بذریعہ ڈاک ووٹنگ کا حق فراہم کیا جائے گا، بشمول وہ تمام کاروبار جو کمپنیز ایکٹ 2017 کے تحت خصوصی کاروبار کے طور پر شمار کیے جاتے ہیں، جیسا کہ ریگولیشنز میں درج شرائط و ضوابط میں بیان کیا گیا ہے۔

ای ووٹنگ کی سہولت کی تفصیلات ان کمپنی ممبران کو بذریعہ ای میل فراہم کی جائیں گی جن کے درست موبائل نمبرز/ای میل ایڈریس کمپنی کے ممبرز رجسٹر میں 21 اپریل 2025 کے کاروباری اوقات کے اختتام تک موجود ہوں گے۔ یہ تفصیلات کارپلنک (پرائیویٹ) لمیٹڈ، جو ای ووٹنگ سروس فراہم کنندہ ادارہ ہے، کی جانب سے شیئر کی جائیں گی۔

وہ ممبران جو ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھتے ہیں، ان کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیقی عمل کے ذریعے مستند کی جائے گی۔

ممبران 26 اپریل 2025 کو صبح 09:00 بجے سے لے کر 28 اپریل 2025 کو شام 05:00 بجے تک آن لائن ووٹ کاسٹ کر سکیں گے۔ ووٹنگ 28 اپریل 2025 کو شام 05:00 بجے بند ہو جائے گی۔ ایک بار ووٹ کاسٹ کرنے کے بعد، ممبر کو اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

7. بذریعہ پوشل بیلٹ ووٹنگ کا طریقہ کار:

ممبران متبادل طور پر پوشل بیلٹ کے ذریعے ووٹنگ کا انتخاب بھی کر سکتے ہیں۔ ممبران کی سہولت کیلئے بیلٹ پیپر مذکورہ نوٹس کے ہمراہ منسلک ہے اور کمپنی کی ویب سائٹ [https://highnoon-labs.com/] پر بھی دستیاب ہے جہاں سے اسے ڈاؤن لوڈ کیا جاسکتا ہے۔

ممبران کو یہ یقینی بنانا ہوگا کہ مکمل شدہ اور دستخط شدہ بیلٹ پیپر، کمپیوٹر ائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ساتھ، بذریعہ ڈاک کمپنی کے رجسٹرڈ ایڈریس (17.5 کلومیٹر، ملتان روڈ، لاہور) پر یا ای میل (investor.relations@highnoon.com.pk) کے ذریعے اجلاس کے چیئرمین کو AGM سے ایک دن قبل، یعنی 28 اپریل 2025 شام 05:00 بجے سے قبل موصول ہو جائے۔ مقررہ وقت/تاریخ کے بعد موصول ہونے والا پوشل بیلٹ ووٹنگ کے لیے قابل قبول نہیں ہوگا۔ بیلٹ پیپر پر موجود دستخط CNIC پر موجود دستخط سے مطابقت رکھنے چاہئیں۔

8. ویڈیو کانفرنسنگ سہولت کے لیے رضامندی:

کمپنیز ایکٹ 2017 کے سیکشن (2) 132 کے مطابق، اگر کمپنی کو کسی مخصوص جغرافیائی مقام پر رہائش پذیر وہ ممبران، جن کے مجموعی شیئر ہولڈنگ کا تناسب 10% یا اس سے زیادہ ہو، کی جانب سے اجلاس میں ویڈیو کانفرنس کے ذریعے شرکت کیلئے اجلاس کی تاریخ سے کم از

اطلاع برائے سالانہ اجلاس عام

دیگر امور

7. چیئرمین کی اجازت سے کسی بھی دیگر معاملے پر تبادلہ خیال کرنا۔

مذکورہ نوٹس کے ہمراہ ایک اسٹیٹمنٹ آف میٹریل فیکٹ کا بیانیہ منسلک ہے، جس میں مذکورہ خصوصی کاروبار سے متعلق خصوصی قراردادوں کے مسودے شامل ہیں، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت درکار ہے۔

اجلاس میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ہائی نون لیبارٹریز لمیٹڈ (کمپنی) کے ممبران کا 42 واں سالانہ اجلاس عام بروز منگل، 29 اپریل 2025 کو بوقت صبح 11:00 بجے دن کمپنی کے رجسٹرڈ دفتر واقع 17.5 کلو میٹر ملتان روڈ، لاہور میں اور ویڈیولنک کے ذریعے مندرجہ ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

عمومی امور

1. پیر، 02 ستمبر 2024 کو منعقد ہونے والے گزشتہ غیر معمولی اجلاس عام کی کاروائی کی توثیق۔

2. چیئرمین جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ہمراہ کمپنی کے سالانہ علیحدہ اور مجموعی آڈٹ شدہ مالیاتی گوشوارے برائے سال 31 دسمبر 2024، کو موصول کرنا، غور کرنا اور اپنانا۔

3. بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، سال 31 دسمبر 2024 کے لیے فی شیئر 40 روپے یعنی 400 فیصد حتمی نقد ڈیویڈنڈ کی ادائیگی کی منظوری دینا۔

4. کمپنی کے آڈیٹرز کی تقرری اور ان کا معاوضہ مقرر کرنا۔ اراکین کو مطلع کیا جاتا ہے کہ بورڈ اور آڈٹ کمیٹی نے مالی سال 31 دسمبر 2025 کیلئے بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کے طور پر تقرر کرنے کی سفارش کی ہے۔

خصوصی امور

5. مالی سال 31 دسمبر 2024 کو ختم ہونے والے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین پر غور کرنا، اس کی توثیق اور منظوری دینا، جو 29 اپریل 2024 کو سالانہ عمومی اجلاس میں منظور شدہ خصوصی قرارداد کے تحت کیے گئے تھے، اور چیف ایگزیکٹو آفیسر کو اختیار دیا جاتا ہے کہ وہ مالی سال 31 دسمبر 2025 کے دوران اور آئندہ سالانہ اجلاس عام تک متعلقہ فریقوں کے ساتھ کیے گئے یا کیے جانے والے تمام لین دین کی، اگر مناسب سمجھا جائے تو، بطور خصوصی قرارداد، ترمیم یا بلا ترمیم منظور کرنے کا اختیار دینا جیسا کہ اسٹیٹمنٹ آف میٹریل فیکٹ کے بیانیہ میں تجویز کیا گیا ہے۔

6. کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 79 اور A-79 کو تبدیل کرنے کیلئے اس نوٹس کے ساتھ منسلک بیان کردہ اسٹیٹمنٹ آف میٹریل فیکٹ میں تجویز کردہ خصوصی قرارداد پر غور کرنا، اور اگر مناسب سمجھا جائے تو اسے ترمیم یا بلا ترمیم منظور کرنا۔

بحکم بورڈ

باقدر حسن

سینئر جنرل کونسل اینڈ کمپنی سیکریٹری

لاہور

07 اپریل 2025ء

نوٹس:

شیئر ٹرانسفر بکس کی بندش:

1. منافع کی حصص منتقلی کی کتابیں 22 اپریل 2025 سے 29 اپریل 2025 تک (دونوں دن شامل) بند رہیں گی۔ جو ٹرانسفر کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1K کمرشل، ماڈل ٹاؤن، لاہور کے دفتر میں 21 اپریل 2025 کے کاروباری اوقات کے اختتام تک موصول ہوں گی، انہیں منافع کے استحقاق، سالانہ عمومی اجلاس (AGM) میں شرکت، اظہار خیال اور ووٹ دینے کے حق کے تعین کے لیے بروقت تصور کیا جائے گا۔

ویڈیولنک کے ذریعے AGM میں شرکت:

2. سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر 4، مورخہ 15 فروری 2021 اور سرکلر نمبر 6، مورخہ 03 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے شیئر ہولڈرز کو سالانہ عمومی اجلاس (AGM) میں شرکت کے لیے ویڈیولنک کی سہولت فراہم کریں، علاوہ ازیں ممبران کو جسمانی طور پر شرکت کی اجازت بھی دی گئی ہے۔ جو ممبران AGM میں ویڈیولنک کے ذریعے شرکت اور بحث میں حصہ لینا چاہتے ہیں، وہ اسمارٹ فون، کمپیوٹر، ٹیبلیٹ وغیرہ کے ذریعے اجلاس میں شامل ہو سکتے ہیں۔ AGM میں ویڈیولنک کے ذریعے شرکت کے لیے، ممبران سے درخواست ہے کہ وہ درج ذیل تفصیلات کم از کم 48 گھنٹے قبل دیے گئے ای میل یا واٹس ایپ نمبر پر بھیج کر اپنی رجسٹریشن مکمل کروائیں اور ویڈیولنک <https://zoom.us/download> سے ڈاؤن لوڈ کریں:

نام	فولیو/ای ڈی سی کاؤنٹ نمبر	شناختی کارڈ نمبر	موبائل نمبر	ای میل

دستخط شیئرز ہولڈر:

ای میل	واٹس ایپ
investor.relations@highnoon.com.pk	0344-4445334

FORM OF PROXY

FOLIO NO./

CDC A/C NO. _____

I/We _____

of _____ District _____ being a

member of HIGHNOON LABORATORIES LIMITED and

holder of _____ ordinary shares, entitled to vote hereby appoint

Mr. _____ of _____ or failing him

Mr. _____ of _____

as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held at REGISTERED OFFICE, 17.5 K.M. MULTAN ROAD, LAHORE on APRIL 29, 2025 at 11:00 a.m. and at any adjournment thereof.

As witness under my/our hand(s) this _____ day of _____ 2025.

Witness:

(Member's Signature)

01 _____

02 _____

Affix Revenue
Stamp of Rs.50/-

Date: _____

Place: _____

Note:

1. This Form of Proxy duly completed in all respects, in order to be effective, must be submitted, at the Company's Registered Office at 17.5 K.M., Multan Road, Lahore not less than 48 hours before the time of holding the meeting. A Proxy must be a member of the company. Signature should agree with the specimen registered with the Company
2. The Proxy Form should be signed by two witnesses, mentioning their name address and CNIC number. Attested copy of the CNIC or the passport of beneficial owner and the proxy shall be furnished with the Proxy Form. Proxy shall produce his original CNIC or passport at the time of the meeting.
3. In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted along-with proxy to the Company.

AFFIX
CORRECT
POSTAGE STAMP

The Company Secretary
HIGHNOON LABORATORIES LIMITED
17.5 Kilometer, Multan Road,
Lahore - 53700, Pakistan

پراکسی فارم

فولیو/سی ڈی سی اکاؤنٹ نمبر _____

میں/ہم _____ از _____ ڈسٹرکٹ _____

بحیثیت ممبر ہائی نون لیبارٹریز لمیٹڈ اور حامل _____ عمومی حصص کے مالکان ہیں۔ جناب _____

از _____ یا ان کی عدم دستیابی کی صورت میں جناب _____ از _____ کو کمپنی کے

سالانہ اجلاس عام جو کمپنی کے رجسٹرڈ دفتر 17.5 کلومیٹر ملتان روڈ لاہور میں 29 اپریل، 2025 بوقت صبح 11:00 بجے ہے
میں شرکت کرنے حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

میں/ہم بروز _____ بتاریخ _____ کو اپنے دستخط/مہر کے ساتھ اس امر کی تصدیق کرتا/کرتی ہوں/کرتے ہیں۔

دستخط ممبر _____

گواہان 1 _____

2 _____

تاریخ: _____

جگہ: _____

پچاس روپے کی ریونیو ٹکٹ پر دستخط

اہم نکات۔

- ۱۔ باضابطہ مکمل شدہ اور دستخط کردہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس بمقام 17.5 کلومیٹر ملتان روڈ لاہور میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچ جانا چاہئے۔
- ۲۔ پراکسی فارم دو افراد کی جانب سے گواہی کے ہمراہ ہونا چاہئے جن کے نام پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔ پراکسی فارم کے ساتھ حصص داران اور پراکسی (نمائندہ) کی تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی کاپی بھیجنا لازم ہے۔
- ۳۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونہ دستخط پراکسی فارم کے ساتھ کمپنی کو پیش کئے جائیں (اگر وہ پہلے پیش نہ کئے گئے ہوں)۔

صحیح ڈاک ٹکٹ چسپاں کریں

کمپنی سیکریٹری
ہائی نون لیبارٹریز لمیٹیڈ
۱۷۰۵ کلومیٹر ملتان روڈ، لاہور۔ ۵۳۷۰۰، پاکستان

BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of Highnoon Laboratories Limited to be held on Tuesday, April 29, 2025 at the Company's Registered Office: 17.5 Kilometer, Multan Road, Lahore,

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:
corporate.affairs@highnoon.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
<u>Additional Information and enclosures</u> (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	Special Resolution as per Agenda # 5 To consider, ratify and approve the transactions carried out with related parties during financial year ended 31st December, 2024 under the authority of the special resolution passed in the annual general meeting held on 29th April, 2024 and to authorize the Chief Executive Officer to approve all the transactions with the related parties carried out or to be carried out during the financial year ending 31st December, 2025 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, resolutions as Special Resolutions			
2.	Special Resolution as per Agenda # 6 To consider, and if thought fit, to pass with or without modification, a resolution as a Special Resolution, to substitute the Article 79 & 79 A of the Articles of Association of the Company			

Signature of shareholder(s) _____

Place: _____

Date: _____

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کامیابی کی راہ



مستقبل کے امکانات

معیشت طویل عرصے کی غیر یقینی صورتحال کے بعد استحکام کی علامات ظاہر کر رہی ہے، جس کے نتیجے میں مستقبل کا منظر نامہ حوصلہ افزا نظر آتا ہے۔ عالمی سطح پر مالیاتی نرمی اور مؤثر حکومتی پالیسیوں نے گزشتہ معاشی جھٹکوں کے اثرات کو کم کرنے میں مدد فراہم کی ہے۔

مہنگائی اور سخت مالیاتی پالیسیوں جیسی مستقل معاشی مشکلات کے باوجود، کمپنی ثابت قدم ثابت ہے اور اپنی چابکدستی، متنوع پورٹ فولیو، معیشتی پیمانے کے فوائد اور مستحکم ویلیو چین سے فائدہ اٹھا رہی ہے۔ حکومت کی جانب سے کم اہم ادویات کی قیمتوں کے تعین میں حالیہ ترامیم نے ایک زیادہ متنوع پورٹ فولیو کے مواقع کو وسعت دی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام اسٹیک ہولڈرز کا تہہ دل سے شکریہ ادا کرتا ہوں کہ انہوں نے ہمارے اقدامات پر اعتماد کیا اور مسلسل حمایت فراہم کی۔

میں اپنے ساتھی ڈائریکٹرز کو ان کی اسٹریٹجک نگرانی اور کمپنی کو پائیدار ترقی اور قدر بڑھانے کی جانب گامزن رکھنے کے عزم پر خراج تحسین پیش کرتا ہوں۔

میں حکومت کی جانب سے کم اہم ادویات کے لیے مزید منصفانہ قیمتوں کی حکمت عملی کے قیام کی کوششوں کو بھی سراہتا ہوں اور فارماسیوٹیکل صنعت کو درپیش مشکلات کے پیش نظر کاروبار کی آسانی کیلئے مزید اصلاحات کی حوصلہ افزائی کرتا ہوں۔

سب سے اہم بات یہ ہے کہ میں ہائی نون کے ملازمین کا دل سے شکریہ ادا کرتا ہوں۔ جو ہماری کامیابی کے اصل محرک ہیں۔ ان کی لگن، جذبہ اور محنت نے قدر پیدا کرنے میں اہم کردار ادا کیا ہے۔ بورڈ کی جانب سے، میں ان کی وفاداری اور ہماری مشترکہ مشن ”دنیا بھر میں زندگیاں بہتر بنانا“ میں ان کے تعاون کے لیے ان کا تہہ دل سے شکریہ ادا کرتا ہوں۔

بورڈ کی طرف سے

Tausif Ahmad Khan

توصیف احمد خان

چیئر مین

26 مارچ 2025

لاہور

چیمبرمین کا جائزہ

کاروباری ماحول اور مشکلات

پاکستان کے میکرو اکنامک منظر نامے نے 2024 میں حوصلہ افزا رجحانات اور مثبت پیش رفت کے آثار ظاہر کیے، جو استحکام میں اضافے اور ممکنہ ترقی کی بنیاد رکھنے میں معاون ثابت ہوئے۔ سود کی شرح میں اسٹریٹجک کمی اور مہنگائی میں نمایاں کمی نے کاروباری اداروں اور صارفین پر دباؤ کم کرنا شروع کر دیا، جس سے ایک زیادہ سازگار ماحول پیدا ہوا۔

موجودہ معاشی مشکلات کے باوجود، کمپنی نے ایک اور کامیاب مالی سال مکمل کیا، جس میں صنعت کی کارکردگی سے بڑھ کر 29% غیر معمولی ریٹرن آن انویسٹمنٹ حاصل کیا۔ جو کہ دو سال کمپنیوں میں سب سے زیادہ ہے۔ 65% کے مستقل پے آؤٹ ریشو کے ساتھ، ہائی نون بدستور سرفہرست دو سال کمپنی کا درجہ برقرار رکھے ہوئے ہے۔ یہ شاندار کامیابی ہیلتھ کیئر پر و فیشنل کے ہائی نون برانڈ پر غیر متزلزل اعتماد اور ہمارے ملازمین کی مستقل محنت، استقامت اور حالات کے مطابق خود کو ڈھالنے کی صلاحیت کو اجاگر کرتی ہے۔

آئی کیو وی اے (IQVIA) کے 2024 کے نتائج نے ہائی نون کی معیاری اور سستی صحت کی دیکھ بھال فراہم کرنے کے عزم کو تسلیم کیا، اور اس کی دائمی بیماریوں کے شعبے میں حجم پر مبنی نمونہ کو اجاگر کیا، جو کہ صنعت کے عمومی رجحان، یعنی قیمت پر مبنی توسیع، کے برعکس ہے۔

سال 2024 میں، ہائی نون لیبارٹریز لمیٹڈ نے زندگیوں کو بہتر بنانے کے اپنے عزم کا دوبارہ اعادہ کیا۔ یہ عزم مختلف اقدامات کے ذریعے ظاہر ہوتا ہے، جیسے کہ 15 نئی مصنوعات متعارف کروانا، خون کے عطیات کی مہمات کا انعقاد، صحت کے ماہرین کے لیے پلیٹ فارمز کی فراہمی، لمبی عمر کے لیے متحرک طرز زندگی کو فروغ دینا، اور اپنے ملازمین کے لیے ایک متنوع، شمولیتی اور ترقی پر مبنی ماحول کی تشکیل۔

مندرجہ بالا کامیابی ہائی نون لیبارٹریز لمیٹڈ کی شاندار صلاحیت کا نتیجہ تھی، جس کے تحت اس نے اسٹریٹجک منصوبہ بندی، عملی کارکردگی، اور ایک مستحکم سپلائی چین کو یکجا کیا۔ ہمارے متحرک انداز اور پچھلے حکمت عملی نے، جو اہم اور کم اہم دونوں اقسام کی ادویات پر مشتمل ایک متنوع علاج معالجے کے پورٹ فولیو کو برقرار رکھنے پر مرکوز تھی، اس وقت فائدہ پہنچایا جب حکومت نے 2024 میں کم اہم ادویات کے لیے نئی قیمتوں کی پالیسی کا اعلان کیا۔

بورڈ کی کارکردگی اور مؤثر فعالیت

بورڈ مسلسل بدلتے ہوئے کاروباری ماحول میں کمپنی کی رہنمائی کے لیے پرعزم رہا، جبکہ تمام قانونی ذمہ داریوں کی تعمیل کو یقینی بنایا تا کہ تمام اسٹیک ہولڈرز کو فائدہ پہنچے۔ ایک اعلیٰ ترین گورننگ باڈی کے طور پر، بورڈ نے کمپنی کی حکمت عملی، کارپوریٹ گورننس، اور رسک مینجمنٹ کی نگرانی میں غیر جانبدارانہ فیصلہ سازی کی۔

ہائی نون لیبارٹریز لمیٹڈ میں، ہم اپنی ذمہ داری کو تسلیم کرتے ہیں کہ پائیدار اور اخلاقی طور پر کام کریں اور ماحولیاتی، سماجی، اور گورننس (ESG) اصولوں کے تحت زندگیوں کو بہتر بنائیں۔ بورڈ نے پائیداری اقدامات اور رپورٹنگ کی نگرانی کے لیے ایک کمیٹی تشکیل دی ہے، جو اس بات کو یقینی بنانے کے لیے اہم ہے کہ ہم تمام اسٹیک ہولڈرز کے لیے قدر پیدا کریں، جبکہ ماحولیاتی اثرات کو کم سے کم رکھیں اور سماجی ترقی کو فروغ دیں۔

لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 کے مطابق، بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا گیا تا کہ اس کی کارکردگی اور مؤثریت کو کمپنی کے اسٹریٹجک اہداف کے مقابلے میں پرکھا جاسکے۔ مالی سال 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے، بورڈ کی مجموعی کارکردگی کو ”اطمینان بخش“ قرار دیا گیا، جبکہ مسلسل بہتری کو اس کے جاری ایجنڈے کا حصہ بنایا گیا ہے۔

اس جائزہ میں اہم پہلو جیسے کہ: ویژن، مشن اور اقدار کو مد نظر رکھا گیا، اسٹریٹجک منصوبہ بندی میں بورڈ کی شمولیت کو جانچا گیا، اور پالیسی کی تشکیل کا جائزہ لیا گیا۔ اس کے علاوہ، کاروباری سرگرمیوں اور مالی وسائل کی نگرانی، مؤثر مالیاتی نظم و نسق، ملازمین کے ساتھ مساوی سلوک، اور بورڈ کی ذمہ داریوں کی مؤثر انجام دہی کو بھی پرکھا گیا۔

بورڈ آف ڈائریکٹرز کو اجلاسوں سے قبل بروقت ایجنڈے، معاون مواد، اور متعلقہ دستاویزات فراہم کی گئیں۔ مزید برآں، مؤثر گورننس کو یقینی بنانے کے لیے بورڈ اجلاس مناسب تعداد میں منعقد کیے گئے، جن میں نان ایگزیکٹو اور آزاد ڈائریکٹرز نے کلیدی فیصلوں میں بھرپور شرکت کی۔

ڈائریکٹرز رپورٹ

ذیلی کمپنی

کیوریکسا ہیلتھ (پرائیویٹ) لمیٹڈ۔

کمپنی اور اسکی ذیلی کمپنی کی مجموعی گوشواروں کے ساتھ ایک علیحدہ ڈائریکٹرز رپورٹ پیش کی گئی ہے۔

اس رپورٹ کے بعد واقعات

سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلیاں نہیں ہوئیں ہیں

مستقبل پر ایک نظر

پاکستان ایک نازک دور ہے پر کھڑا ہے جہاں معاشی صلاحیت کو حاصل کرنے اور معیشت کو مضبوط بنانے کے لیے فیصلہ کن، کثیر الجہتی اصلاحات اور بصیرت افروز قیادت کی ضرورت ہے۔

پاکستان کے میکرو اکنامک مستقبل میں محتاط امید کی عکاسی ہوتی ہے، جو مالیاتی استحکام اور بیرونی شعبے کی بہتری پر مبنی ہے۔

تاہم، ریگولیٹری منظر نامے کی پیچیدگی اور شفافیت کی کمی کی وجہ سے مشکلات درپیش ہیں، جو ایک مستقل پالیسی فریم ورک اور مؤثر ریگولیٹری طریقہ کار کی ضرورت کو اجاگر کرتے ہیں تاکہ اس شعبے کی پاکستان کے عوام کی فلاح و بہبود میں بہترین حصہ ڈالنے کو یقینی بنایا جاسکے۔

ہائی نون کی توجہ عملی کارکردگی کی بہتری، اسٹریٹجک پورٹ فولیو کی تنوع اور مارکیٹ کی توسیع پر مرکوز رہے گی، جو بدلتے ہوئے اقتصادی منظر نامے میں منافع کو برقرار رکھنے میں اہم کردار ادا کرے گی۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کا دلی شکریہ ادا کرتا ہے جنہوں نے سال بھر غیر متزلزل محنت اور شاندار کارکردگی کا مظاہرہ کیا۔ ان کا عزم ہمارے اسٹریٹجک مقاصد کے حصول اور پائیدار ترقی کے لیے نہایت اہم رہی ہے۔ ہم اپنے شیئر ہولڈرز، صارفین اور شراکت داروں، بشمول حکومت پاکستان اور اس کے اداروں جیسے کہ اسپیشل انویسٹمنٹ کمیشنیشن کونسل (SIFC)، کی بے حد حمایت کو بھی تسلیم کرتے ہیں، جن کے اعتماد اور تعاون نے ہماری کامیابی میں کلیدی کردار ادا کیا۔ آگے بڑھتے ہوئے، ہم اعلیٰ ترین کارپوریٹ گورننس معیارات کو برقرار رکھنے اور اپنے تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر فراہم کرنے کے لیے پرعزم ہیں۔

اجازت نامہ

بورڈ نے، کمپنیز ایکٹ 2017 کے سیکشن (5) 227 کی ضروریات کی تعمیل کرتے ہوئے، چیف ایگزیکٹو آفیسر اور ایک ڈائریکٹر کو بورڈ کی جانب سے ڈائریکٹرز رپورٹ پر دستخط کرنے کا اختیار دیا۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان

ڈائریکٹر



ڈاکٹر عدیل عباس حیدری

چیف ایگزیکٹو آفیسر

لاہور

26 مارچ 2025

کے نتائج اس بات کی تصدیق کرتے ہیں کہ بورڈ کا حجم اور تشکیل مؤثر طرز گورننس اور فیصلہ سازی کے لیے موزوں ہے۔

کارکردگی کے جائزے کے لیے استعمال کیے جانے والے معیارات درج ذیل ہیں:

- بورڈ کی تشکیل اور تنظیم؛
- حوالہ جات کی شرائط؛
- بورڈ کے اراکین کی مہارتیں اور تجربہ، اسٹریجک منصوبہ بندی؛
- انتظامیہ کو رہنمائی کی دستیابی
- بورڈ اجلاسوں کی کارکردگی اور فیصلہ سازی کا مؤثر ہونا
- بورڈ کے فیصلوں کے باقاعدگی سے اثرات ناپنا
- بورڈ اور انتظامیہ کے درمیان روابط؛
- بورڈ کمیٹیوں کی تشکیل، جن کے اراکین مناسب تکنیکی علم اور مہارت رکھتے ہوں؛
- چیئرمین اور چیف ایگزیکٹو آفیسر کے کردار کا تعین؛ بورڈ ممبر کا نام
- بورڈ کمیٹیوں سے موصول ہونے والی مینجمنٹ رپورٹس کے معیار کا جائزہ؛
- بورڈ اور چیف ایگزیکٹو آفیسر کی مؤثر کارکردگی
- خطرات کی روک تھام۔

سرمایہ کار شکایات کی پالیسی

کمپنی مسلسل اپنے سرمایہ کاروں سے رابطے میں رہتی ہے اور ان کی پوچھ گچھ، خدشات اور شکایات کا جواب دیتی ہے۔ شیئرز رجسٹر اس سرمایہ کاروں کی شکایات کے ازالے کا ذمہ دار ہوتا ہے۔

کمپنی کی پائیداری کی بیان

کمپنی ESG (ماحولیاتی، سماجی اور گورننس) کی اہمیت کو تسلیم کرتی ہے اور SECP کی ESG بیان کردہ ہدایات کی مکمل پابندی کے لیے پرعزم ہے۔ ہم اس بات پر یقین رکھتے ہیں کہ ESG عوامل سرمایہ کاروں کے اعتماد، مالی استحکام اور مجموعی کاروباری پائیداری پر گہرا اثر ڈالتے ہیں۔ ہم اپنے آپریشنز میں پائیداری کے اصولوں کو شامل کر رہے ہیں، جو خطرات کو کم کرنے، کمپنی کی سادھ کو بہتر بنانے اور پائیدار مصنوعات اور خدمات کی پیشکش میں مدد فراہم کرے گا۔ یہ طریقہ کار بالآخر تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرتا ہے۔

کمپنی نے سال کے اختتام کے بعد ایک پائیداری کمیٹی بھی تشکیل دی ہے اور SECP کی حالیہ ہدایات کے مطابق پالیسیوں کی تیاری کے عمل میں ہے۔

تنوع، مساوات اور شمولیت کے حوالے سے ہماری حکمت عملی

ایسا کام کا ماحول اور معاشرہ تشکیل دینا جہاں تنوع پروان چڑھے، مساوات غالب ہو، اور شمولیت سب کو متحد کرے۔ ایسی کام کی روایت کو فروغ دینا جو تمام نسلوں کو خوش آمدید کہے، خیالات کے وسیع تنوع کو قدر کی نگاہ سے دیکھے، اور انہیں کمپنی کے اندر مؤثر طریقے سے شامل کرے۔

صحت، حفاظت اور ماحولیات

کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے ماحولیاتی تحفظ کی اپنی ذمہ داری سے بخوبی آگاہ ہے۔ سال بھر تمام شعبوں میں صحت، حفاظت اور ماحولیات کی کارکردگی شاندار رہی۔ پلانٹ ٹیم کے مضبوط عزم نے تمام صحت، حفاظت اور ماحولیات معیارات کے حصول کو ممکن بنایا۔ جامع نگرانی اور خود تشخیصی نظام پر خصوصی توجہ دی گئی، جسے اندرونی اور بیرونی آڈٹ کی مدد حاصل رہی۔ مینجمنٹ سیفٹی آڈٹس، ایمرجنسی ریسپانس، پلانٹ ریلیکویلیٹی انہانسمنٹ پروگرام، پیشہ ورانہ صحت و صنعتی حفظان صحت، اور حسب ضرورت ہاؤس کیپنگ آڈٹس قابل ذکر اقدامات میں شامل ہیں۔

ڈائریکٹرز رپورٹ

پروویڈنٹ فنڈ میں سرمایہ کاری کی قدر سے متعلق بیان

ہائی نون لیبارٹریز لمیٹڈ ملازمین پروویڈنٹ فنڈ کے 31 دسمبر 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے مطابق، پروویڈنٹ فنڈ میں سرمایہ کاری کی قدر 651.517 ملین پاکستانی روپے ہے۔

اندرونی آڈٹ

اندرونی آڈٹ کا نظام مؤثر طریقے سے کارپوریٹ گورننس کے ضابطے اور بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کے چارٹر کے تحت کام کر رہا ہے۔ اس کا مقصد گورننس، رسک مینجمنٹ، اور کنٹرول سرگرمیوں کے مؤثر ہونے کا آزادانہ اور معروضی جائزہ فراہم کرنا ہے۔

اندرونی آڈٹ کا نظام روایتی طریقہ کار سے آگے بڑھ کر کاروباری شراکت دار اور مشاورتی کردار کی طرف گامزن ہے۔ یہ مؤثر کارپوریٹ گورننس کے لیے ایک فعال حکمت عملی اپناتے ہوئے خطرات کو کم کرنے، کاروباری عمل میں قدر بڑھانے، اور گروپ سطح پر ہم آہنگی پیدا کرنے میں معاون ثابت ہو رہا ہے۔

بورڈ اندرونی کنٹرولز کے مؤثر ہونے اور موزونیت کا جائزہ لینے کے لیے آڈٹ کمیٹی کے ذریعے اندرونی آڈٹ کے رائے اور سفارشات پر انحصار کرتا ہے اور مناسب اقدامات اٹھاتا ہے۔ یہ نظام رسک کنٹرول میٹرکس کو مؤثر طریقے سے استعمال کرتا ہے، سالانہ منصوبہ بندی کو ترجیح دیتا ہے، اور تنظیم کے تمام افعال و عمل کا باقاعدہ جائزہ لے کر اندرونی کنٹرولز کو مزید مضبوط بناتا ہے۔ مزید برآں، اندرونی آڈٹ کاروبار کے لگاتار چلنے اور خطرات کو کم کرنے کے جامع اقدامات پر زور دیتا ہے تاکہ ادارے کی سرگرمیاں بغیر کسی رکاوٹ کے جاری رہ سکیں۔ اس کے ساتھ، اندرونی آڈٹ COSO معیارات کے مطابق انٹرپرائز رسک مینجمنٹ (ERM) فریم ورک کے نفاذ کو بھی یقینی بناتا ہے، جو ایک مخصوص ERM سیکشن کے ذریعے عمل میں لایا جا رہا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز کی معاوضہ پالیسی مارکیٹ کے رجحانات کو مد نظر رکھتے ہوئے تشکیل دی گئی ہے۔ یہ پالیسی مہارت، کاوشوں اور انفرادی ذمہ داریوں کی عکاسی کرتی ہے جو ڈائریکٹرز کے ذمے ہوتی ہیں۔

ایگزیکٹو ڈائریکٹرز کا معاوضہ بورڈ کی منظوری سے طے کیا جاتا ہے۔ تاہم، کارپوریٹ گورننس کوڈ کے مطابق یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے ہی معاوضے کے تعین میں حصہ نہ لے۔ شفافیت کو برقرار رکھنے کے لیے، بورڈ کسی بھی ڈائریکٹر کے معاوضے کا تعین کرتے وقت درج ذیل اصولوں کی پابندی کرے گا:

- معاوضے کمپنی کی کارکردگی میں بہتری کو فروغ دینے والا ہونا چاہیے۔
- معاوضے ایسا ہونا چاہیے جو کمپنی کو کامیابی سے چلانے کے لیے قابل اور موزوں ڈائریکٹرز کو متوجہ کرنے اور برقرار رکھنے میں معاون ہو۔
- معاوضے کی سطح ایسی نہیں ہونی چاہیے جو ان کی آزادی پر سمجھوتہ کرنے کے تاثر کو جنم دے۔
- بورڈ ایچ آر اینڈ ریمونریشن کمیٹی کی سفارشات پر مناسب غور کریں گے۔
- کوئی بھی ڈائریکٹر اس اجلاس میں شرکت نہیں کرے گا جس میں اس کے اپنے معاوضے کا تعین کیا جا رہا ہو۔
- چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کے معاوضے کی تفصیلات سالانہ رپورٹ کے ضمیمہ شدہ انفرادی مالیاتی گوشواروں میں نوٹ نمبر 44 کے تحت دی گئی ہیں، جس کا حوالہ صفحہ 130 پر موجود ہے۔

چیئر مین اور چیف ایگزیکٹو آفیسر:

اچھی طرز گورننس کے اصولوں کی پاسداری کرتے ہوئے، بورڈ آف ڈائریکٹرز کے چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے الگ الگ افراد کے پاس ہیں، جن کے فرائض اور ذمہ داریاں واضح طور پر متعین ہیں۔

بورڈ کی کارکردگی کا سالانہ جائزہ

بورڈ کی سالانہ جانچ ایک خود تشخیصی سوالنامے کی بنیاد پر کی جاتی ہے تاکہ اس کی مجموعی کارکردگی اور مؤثر ہونے کا اندازہ لگایا جاسکے۔ یہ عمل بورڈ کی کارکردگی کو مقرر کردہ مقاصد اور صنعت کے بہترین طریقوں کے مقابلے میں جانچنے میں مدد دیتا ہے۔ اس کے علاوہ، یہ بورڈ کے اراکین میں مہارت، تجربے، تنوع اور نقطہ نظر کے توازن کا جائزہ لینے کا موقع بھی فراہم کرتا ہے۔ جانچ

- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا توازن کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد مناسب اور محتاط رائے پر ہے۔
- مالیاتی گوشوارے بناتے ہوئے ان تمام بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈز جو پاکستان میں لاگو ہیں کی پیروی کی گئی ہے اور ان سے کسی بھی قسم کے انحراف کیا مناسب وضاحت کی گئی ہے۔
- داخلی کنٹرول کا نظام اپنی ساخت کے اعتبار سے مضبوط ہے اور موثر طور پر نافذ کیا گیا ہے اور اس کی عمل داری کی نگرانی کی جاتی ہے۔
- کمپنی کی اس استعداد میں کہ وہ اپنے کاروبار کو جاری رکھ سکے گی کوئی شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں ہوا ہے۔ گزشتہ چھ سال کے اہم اعداد و شمار سرمایہ کاروں کی رہنمائی کے لئے اس رپورٹ کیساتھ منسلک ہے۔
- کوئی بھی سرکاری ٹیکسز، ڈیوٹیز، لیویز اور اخراجات کمپنی اگر کوئی ہیں تو، مالی بیانات میں واضح طور پر ظاہر کیا گیا ہے۔
- کمپنی کے آپریٹنگ نتائج میں گزشتہ سال سے نمایاں انحراف کوئی وضاحت کی گئی ہے۔
- بقایا قرضے، اگر کوئی ہیں، مالی بیانات میں واضح طور پر ظاہر کیے گئے ہیں۔
- کمپنی کی انتظامیہ بہترین کارپوریٹ گورننس کے لیے پرعزم ہے، اور بہترین طریقوں کی تعمیل کے لیے مناسب اقدامات کیے جاتے ہیں۔ کمپنی کے متعلقہ فریق کے لین دین کو آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ اور / یا توثیق کی جاتی ہے۔

ڈائریکٹرز، سی ایف او، سی ای او اور کمپنی سیکرٹری وغیرہ کے حصص کی تجارت۔

کمپنی کے شیئرز میں لین دین، اگر کوئی ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ایگزیکٹوز اور ان کے شریک حیات نے کیا ہے، ان کو بھی تفصیل سے منسلک کیا گیا ہے

نمبر شمار	نام	نوعیت	حصص کی تعداد
1	غلام حسین خان	خریدے	421
2	ہما حسین (زوجہ محترم غلام حسین خان)	خریدے	18
3	غلام حسین خان	بیچے	27,000
4	طارق واجد	بیچے	126
5	طارق واجد	خریدے	126

حصص کی ملکیتی معلومات

پاکستان اسٹاک ایکسچینج ریگولیشنز کے مطابق، 31 دسمبر 2024 تک کے حصص کی ملکیتی معلومات اور حصص یافتگان کی اقسام کو اس کے ساتھ منسلک کر دیا گیا ہے۔

ضابطہ اخلاق

کارپوریٹ گورننس رہنما اصولوں کے مطابق، کمپنی نے ضابطہ اخلاق (Code of Conduct) مرتب کیا ہے، جس کا خلاصہ سالانہ رپورٹ کے صفحہ 50 پر دیا گیا ہے۔

کریڈٹ ریٹنگز

ہائی نون لیبارٹریز لمیٹڈ کو 24 جنوری 2025 کو طویل مدتی ریٹنگ "A+" اور قلیل مدتی ریٹنگ "A1" حاصل ہوئی۔ یہ ریٹنگز کمپنی کے مضبوط کاروبار، متنوع پروڈکٹ مکس، اور مالیاتی وعدوں کی بروقت ادائیگی کی انتہائی مضبوط صلاحیت کی بنیاد پر دی گئی ہیں، جس کے باعث کریڈٹ رسک کا امکان نہایت کم ہے۔

ڈائریکٹرز رپورٹ

کی قیادت شامل ہے۔

متعلقہ فریقین سے لین دین

سال کے دوران، کمپنی نے اپنے متعلقہ فریقین کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات سالانہ رپورٹ میں انفرادی مالیاتی گوشواروں کے نوٹ 49 (صفحات 149 تا 150) میں درج ہیں۔

بیرونی آڈیٹران

بی ڈی او ابراہیم اینڈ کو. چارٹرڈ اکاؤنٹنٹس نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا ہے۔

بورڈ نے آڈٹ کمیٹی کی سفارش سے اتفاق کرتے ہوئے بی ڈی او ابراہیم اینڈ کو. چارٹرڈ اکاؤنٹنٹس کو آئندہ مالی سال 2025 کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرر کرنے کی منظوری دی ہے اور اس تجویز کو سالانہ جنرل میٹنگ میں منظوری کے لیے پیش کر دیا ہے۔ یہ فیصلہ گورنرس کے اعلیٰ معیارات کو برقرار رکھنے کے لیے کمپنی کے عزم کے مطابق ہے۔ پچھلے سال کے آڈیٹرز کو برقرار رکھنے سے آڈٹ کے طریقہ کار، اندرونی گورننس، اور رسک مینجمنٹ کے عمل میں بہتری آئے گی۔ یہ دوبارہ تقرری آئندہ سالانہ جنرل میٹنگ میں اراکین کی توثیق کی منتظر ہے۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کے اجلاس

زیر جائزہ سال کے دوران، کمپنی کے ڈائریکٹرز نے اپنی مدت ملازمت مکمل کی، اور 02 ستمبر 2024 کو ڈائریکٹرز کے انتخابات منعقد ہوئے۔ کمپنیز ایکٹ 2017 کے سیکشن 159 کے تحت سات ڈائریکٹرز (چھ مرد ڈائریکٹرز اور ایک خاتون ڈائریکٹر) کو تین سال کی مدت کے لیے منتخب کیا گیا۔

بورڈ 7 ڈائریکٹرز پر مشتمل ہے جس میں چیف ایگزیکٹو آفیسر بھی شامل ہیں اور اس کی افادیت کو بڑھانے کے لیے صنف، علم اور مہارت کا متنوع امتزاج ہے۔ بورڈ 1 خاتون ڈائریکٹر اور 6 مرد ڈائریکٹرز پر مشتمل ہے، جن کی درجہ بندی درج ذیل ہے:

بورڈ ممبر کا نام	ملاقاتوں میں حاضری کی تعداد
توصیف احمد خان	6
ڈاکٹر عدیل عباس حیدری	6
توفیق احمد خان	6
غلام حسین خان	5
زینب عباس	5
رومیش ایلا پانا	4
طارق واجد	5
تہینہ سعید چودری	1
توقیر احمد خان	1

بورڈ میٹنگز میں شرکت نہ کرنے والے ممبران کو عدم حاضری کی باضابطہ اجازت دی گئی۔

جناب غلام حسین خان اور محترمہ زینب عباس اس سال کے دوران ریٹائر ہو گئے۔

لسنڈ کمپنیوں کے (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

جیسا کہ لسنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کا تقاضا ہے، ڈائریکٹرز حسب ذیل بیان کرتے ہیں:

- انتظامیہ کے تیار کردہ یہ گوشوارے شفافیت کیساتھ کمپنی کے کاروباری معاملات، اس کے امور کے نتائج، کیش فلو، اور اکیوٹیٹی میں تبدیلی کو بیان کرتے ہیں۔
- کمپنی کے حسابات کے کھاتے باضابطہ طور پر بنائے جا رہے ہیں۔

(DRAP) کی جانب سے جو ادویات ”ضروری ادویات“ کے زمرے میں نہیں آتیں، ان کی قیمتوں میں زیادہ چمک کی اجازت ملنے سے کچھ آسانی ہوئی ہے۔ ہائی نون نے اپنے متنوع پروڈکٹ پورٹ فولیو کا فائدہ اٹھاتے ہوئے قیمتوں کی حکمت عملی کو مزید مضبوط کیا، جس سے مارکیٹ میں اس کی پوزیشن مزید مستحکم ہوئی۔

نتیجتاً، مجموعی منافع کا مارجن 48% سے بڑھ کر 51% ہو گیا، جو 2023 کے مقابلے میں سالانہ بنیادوں پر 28.9% نمو کی عکاسی کرتا ہے۔ آپریٹنگ اخراجات مہنگائی کے دباؤ کے مطابق بڑھے، جو کہ نئے کاروباری پورٹ فولیو میں کی گئی سرمایہ کاری کے مطابق تھے۔

دوا ساز صنعت کو درپیش مشکلات کے باوجود، ہائی نون نے مؤثر طریقے سے عملی اور اسٹریٹجک استعداد کو متحرک کیا، ضابطہ جاتی قیمتوں میں تبدیلیوں سے فائدہ اٹھایا، اور مضبوط مارکیٹ اٹیلی جنس برقرار رکھی۔ اس کے نتیجے میں، کمپنی نے نہ صرف اپنی منافع کو برقرار رکھا بلکہ اسے مزید بہتر بنایا، 14% منافع برائے فروخت کا تناسب حاصل کیا اور گزشتہ سال کے مقابلے میں بعد از ٹیکس منافع میں 35% اضافہ حاصل کیا۔

ہائی نون ہمیشہ اعلیٰ اہداف کے حصول کی کوشش کرتا ہے اور کامیابی کے بعد مزید بلند مقاصد طے کرتا ہے۔ اپنی کارکردگی کو جانچنے کے لیے، کمپنی مختلف اشاریوں کا استعمال کرتی ہے، جیسے متعلقہ علاج معالجے کی کلاس میں ہم پلہ کمپنیوں کی پوزیشن، صنعت کی نمو، اور قوانین و ضوابط میں تبدیلیوں کا کمپنی کی کارکردگی پر اثر۔ اس کے بعد اہداف مرتب کیے جاتے ہیں تاکہ کسی بھی ممکنہ فرق کی صورت میں باقاعدگی سے اصلاحی اقدامات کیے جاسکیں۔

اعزازات

بین الاقوامی

ٹرانسپیرنسی انٹرنیشنل 100 ابھرتی ہوئی مارکیٹ کی ملٹی نیشنل کمپنیوں کی ”کارپوریٹ رپورٹنگ“ کا جائزہ لیتا ہے۔ اس سال، ہائی نون نے اپنی شاندار مارکیٹ کارکردگی اور سرمائے میں اضافے کی بدولت پاکستان کی سرفہرست 69 پبلک لسٹڈ کمپنیوں میں جگہ حاصل کی ہے۔

مسلل دوسرے سال، ہائی نون نے قومی سطح پر کوالٹی میں بہتری کے عزم کو مزید مستحکم کیا ہے، پاکستان کی دوا سازی برآمدات کو فروغ دیا اور زر مبادلہ کے ذخائر میں اپنا کردار ادا کیا۔ ان کامیابیوں کے اعتراف میں، ہائی نون کو ایک بار پھر وزیر اعظم پاکستان کی جانب سے 7 ویں فارما ایکسپورٹ سٹ اینڈ ایوارڈ 2024 (PESA ایوارڈز) میں باوقار ”فارما ایکسپورٹ ایوارڈ“ سے نوازا گیا۔

مزید برآں، کمپنی اپنے مالیاتی کردار کے طور پر قومی خزانے میں بروقت اور نمایاں حصہ ڈالنے سے ملک کی ترقی میں پینا کردار ادا کرتی رہتی ہے۔

فی شیئر آمدنی

آڈٹ شدہ حسابات کے مطابق، 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے بنیادی فی شیئر آمدنی (EPS) روپے 61.41 رہی، جو کہ 2023 میں 45.35 روپے تھی۔

ڈیویڈنڈ کا اعلان

بورڈ کو یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے لیے 400% (2023: 300%) حتمی نقد ڈیویڈنڈ، یعنی فی شیئر 40 روپے (2023: 30 روپے فی شیئر) دیا جائے گا، جو کہ 29 اپریل 2025 کو ہونے والی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ تاہم، اس سال اضافی بونس شیئرز 0% (یعنی ہر 100 شیئرز پر کوئی اضافی شیئر نہیں) جاری کیے گئے، جبکہ 2023 میں بونس شیئرز کی شرح 15% تھی، جو کہ بورڈ کی منظوری کے ساتھ طے کی گئی تھی۔

قومی خزانے میں حصہ

آپ کی کمپنی نے مختلف حکومتی محصولات، کسٹم ڈیوٹیز، ڈیلیوپی پی ایف، سی آر ایف، ای او بی آئی سوشل سیکیورٹی اور عطیات سمیت لیویز کی مد میں حکومت کو 2,401 ملین روپے (2023: 2,280 ملین) ادا کئے ہیں۔

کمپنی کی سماجی ذمہ داری

ہماری ایک اہم اسٹریٹجک ترجیح ایک باشعور اور ذمہ دار کاروباری ادارے کے طور پر کام کرنا ہے۔ ہم اس عزم کو تین بنیادی پہلوؤں کے ذریعے عملی جامہ پہناتے ہیں: روزمرہ صحت کو مزید اہمیت دینا، ماحولیاتی اثرات کو کم کرنا، اور اخلاقی، ذمہ دار اور شفاف رویوں اور طرز عمل کے اعلیٰ معیارات کو برقرار رکھنا۔

زیرچائزہ مدت کے دوران، کمپنی نے اپنی ذمہ دار کاروباری حکمت عملی کے تحت مختلف اقدامات کا آغاز کیا تاکہ سماجی بہبود اور ماحولیاتی تحفظ کے لیے اپنے عزم کا اظہار کر سکے۔ ان اقدامات میں کھلیسیمیہ کے مریضوں کی مسلسل معاونت، دی کیئر فاؤنڈیشن، فاطمہ فاؤنڈیشن، ایس او ایس چلڈرن ویلیجز آف پاکستان جیسے اداروں کو عطیات، اور مختلف مریضوں کی معاونتی پروگراموں

ڈائریکٹر ز رپورٹ

مالیاتی کارکردگی

زیر نظر سال کے دوران کمپنی کی مالی کارکردگی درج ذیل ہے:

اہم مالیاتی جھلکیاں

2024	2023	
'000' ملین روپے		
23,195	19,424	فروخت
11,929	9,254	گراس منافع
51%	48%	گراس منافع فیصد
4,801	3,244	آپریٹنگ منافع
21%	17%	آپریٹنگ منافع فیصد
(393)	(136)	مالی لاگت
3,253	2,403	قبل از ٹیکس خالص منافع
(39)	587	دوسری کپیر ہیسنسو آمدن بعد از ٹیکس
3,213	2,989	سالانہ کل کپیر ہیسنسو آمدن
9,597	7,445	غیر تخصیص شدہ منافع

تخصیص منافع

12,811	10,434	دستیاب تخصیص منافع (761.52)
837.68	-	نقد ڈیویڈنڈ برائے مالی سال 2023 فی حصص 20 روپے کے
1,589.5	-	نقد ڈیویڈنڈ برائے مالی سال 2024 فی حصص 30 روپے کے
11,221	9,597	بقیہ غیر تخصیص شدہ منافع
61.41	45.35	فی شیئر آمدنی

کارکردگی کا جائزہ

ہائی نون نے اپنی 12 ویں درجہ بندی برقرار رکھی ہے، جبکہ اس کا مارکیٹ شیئر بڑھ کر 2.63% ہو گیا۔ آئی کیو وی اے (IQVIA) کی رپورٹ 'MAT' دسمبر 2024 کے مطابق، کمپنی نے گزشتہ چار سالوں میں 24.49% سالانہ مرکب شرح نمو (CAGR) حاصل کی، جو کہ صنعت کی اوسط 17.79% سے زیادہ ہے۔

خالص فروخت میں 19.4% کا نمایاں اضافہ ہوا، جو بنیادی طور پر بہتر پروڈکٹ مکس، حجم میں توسیع، اور قیمت پر مبنی نمو کے باعث ممکن ہوا۔ اس کے علاوہ، ڈرگ ریگولیٹری اتھارٹی آف پاکستان

ڈائریکٹرز رپورٹ

ڈائریکٹرز کو یہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے، جو کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے پیش کی جا رہی ہے۔ یہ رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے۔

آپ کی کمپنی پاکستان کی معروف ہیلتھ کیئر کمپنیوں میں شامل ہے، جو زندگیوں کو بہتر بنانے اور مریضوں کی سہولت پر مرکوز ہے۔ کمپنی دواسازی اور متعلقہ صارفین کی مصنوعات کی تیاری، درآمد، فروخت اور مارکیٹنگ میں مصروف عمل ہے۔

کمپنی 1995 سے پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہے، اور اس کا رجسٹرڈ دفتر 17.5 کلومیٹر، ملتان روڈ، لاہور میں واقع ہے۔

معاشی اور کاروباری جائزہ

جائزہ شدہ سال کے دوران، پاکستان کی مشکل معاشی صورتحال میں 2.5% کی نسبتاً مستحکم شرح نمو دیکھی گئی، جبکہ مہنگائی عالمی قیمتوں میں کمی، مستحکم زرمبادلہ کی شرح، مالیاتی نرمی، اور مالیاتی استحکام کے باعث کم ہو کر 13.13% تک آگئی۔

حالیہ میکرو اقتصادی اشاریوں میں اس استحکام نے دواسازی کے شعبے کو کچھ حد تک ریلیف فراہم کیا ہے، جو کہ معاشی غیر یقینی صورتحال اور بدلتے ہوئے قواعد و ضوابط کے باعث شدید دباؤ کا شکار رہا ہے۔

حکومت کی جانب سے ان ادویات کی قیمتوں کا حکومتی سطح پر کنٹرول ختم کرنے کا اقدام، جو عالمی ادارہ صحت [WHO] کے مطابق ”ضروری ادویات“ کے زمرے میں نہیں آتیں، اور مستحکم میکرو اقتصادی صورتحال نے جدید طبی حلوں کے لیے ایک اہم محرک کا کردار ادا کیا۔ اس سے کمپنیوں کی حوصلہ افزائی ہوئی کہ وہ اپنی مصنوعات کو متنوع بنائیں اور مریضوں کی ضروریات کو پورا کرنے کے لیے جو ادویات ”ضروری ادویات“ کے زمرے میں نہیں آتیں ان کی پیداوار کریں۔

نتیجتاً، صنعت نے ثانوی مارکیٹ میں ایک کھرب روپے سے زائد کی فروخت درج کی، جو سالانہ بنیادوں پر 21.45% اضافہ ظاہر کرتی ہے۔ اس دوران، مقامی مینوفیکچررز نے ترقی کی شرح میں ملٹی نیشنل کمپنیوں کو 2.13% سے پیچھے چھوڑ دیا، جس کی شرح نمو 21.99% رہی جبکہ MNCs کی 19.86% تھی۔

پاکستانی دواسازی کے منظر نامے میں مقامی صنعت کاروں، خاص طور پر جینرک ادویات بنانے والی کمپنیوں کی برتری برقرار رہی، جہاں ملکی مینوفیکچررز نے قومی طلب کا تقریباً 75.27% پورا کیا، جبکہ باقی 24.7% حصہ ملٹی نیشنل کارپوریشنز (MNCs) کی مقامی شاخوں نے فراہم کیا۔ یہ رجحان اس مسابقتی برتری کو مزید مستحکم کرتا ہے، خاص طور پر پاکستانی روپے کو درپیش غیر مستحکم زرمبادلہ کی شرح کے تناظر میں جو مقامی ادارے مقامی خام مال کے ذریعے حاصل کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر

26 مارچ 2025

لاہور

گروپ ڈائریکٹرز رپورٹ

ہائی نون لیبارٹریز لمیٹڈ کا بورڈ آف ڈائریکٹرز (بورڈ) ہائی نون لیبارٹریز (ہولڈنگ کمپنی) اور کیوریٹکس ہیلتھ (پرائیویٹ) لمیٹڈ، جو کے کلی طور پر اسکی ذیلی کمپنی ہے، اور ان دونوں کا گروپ ہم گروپ کے نام سے کریں گے، کے مجموعی حسابات برائے سال اختتام 31 دسمبر 2024 اور گروپ کی مجموعی کارکردگی پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔ گروپ کی کارکردگی پر ڈائریکٹرز رپورٹ کا بنیادی مقصد گروپ کے تناظر میں ذیلی کمپنی کی مالیاتی کارکردگی اور اسکے کاروباری امور کا جائزہ لینا ہے۔ ہولڈنگ کمپنی کی کارکردگی اور مالی حالت پر پیش کی گئی ڈائریکٹرز رپورٹ اور چیئرمین کا جائزہ، جیسا کہ قابل اطلاق ہو، اس رپورٹ کا حصہ ہے۔

مالی کارکردگی کا جائزہ

مجموعی		
2024	2023	
'000 روپے ملین		
5,032	3,359	قبل از ٹیکس خالص منافع
1,644	912	ٹیکس
3,388	2,447	بعد از ٹیکس خالص منافع
63.95	46.20	فی شیئر آمدنی

فی شیئر آمدنی

گروپ کے پڑتال شدہ مجموعی حسابات کی بنیاد پر فی حصص بنیادی اور ڈائیوونڈ آمدنی برائے مالی سال اختتام 31 دسمبر 2024 میں 63.95 روپے (2023: 46.20 روپے) رہا۔

ذیلی کمپنی کے کاروبار اور گروپ کا تناظر

ذیلی ادارہ سیفیلو سپورن پلانٹ چلاتا ہے اور فی الحال اپنی ہولڈنگ کمپنی کے لیے سیفیلو سپورن سے متعلقہ ادویات تیار کرتا ہے۔ AIVQI کے مطابق ہماری ذیلی کمپنی کے معروف برانڈ Cortfe، TCABROX اور AIFEC نے بلند ترین فروخت sR، 599 ملین، 905 ملین روپے اور 984 ملین روپے بالترتیب حاصل کی اور 94 فیصد، 53 فیصد اور 13 فیصد نمو کا بالترتیب مظاہرہ کیا۔

پیداواری امور میں بہتری

ہمیں اپنے آپریشنز کے اندر معیار اور قواعد و ضوابط کی تعمیل کے معیار کو بہتر بنانے کی غرض سے بنیادی ڈھانچے کی بہتری کے کئی منصوبوں کی کامیابی سے تکمیل کا اعلان کرتے ہوئے فخر محسوس ہو رہا ہے۔ مزید برآں ماحولیاتی آلودگی میں کمی کے ہمارے عزم کے طور پر، ہم نے استعمال شدہ پانی کو آلودگی سے پاک کرنے کے لیے ایک وائرٹرینٹ پلانٹ قائم نصب کیا ہے۔

مستقبل پر ایک نظر

ہم ہائی نون لیبارٹریز لمیٹڈ میں آپ کی مسلسل سرپرستی اور اعتماد کے لیے تہہ دل سے شکر گزار ہیں۔ معیار اور جدت کے تئیں ہمارے عزم سے ہمارے برانڈ کی ساکھ کو تقویت دی ہے، جس کے نتیجے میں ایسی ترقی ہوئی جو سب سے آگے رہی، اور ایک ایسا مستقبل سامنے آیا جو اپنی دوسرے دو اساز اداروں سے کہیں بلند اور نمایاں ہے۔

ہماری زندگیوں کو بہتر بنانے کے سوچ اور طویل مدتی حکمت عملیوں کے مطابق، ہم ایک عالمی سطح پر تسلیم شدہ معیاری و اساز کمپنی بننے کے لیے پر عزم ہیں۔ اپنے بین الاقوامی اثر و رسوخ کو بڑھانے کے لیے، ہم ایک سرکردہ عالمی ریگولیٹری اتھارٹی سے منظوری حاصل کرنے کی کوشش کر رہے ہیں، جس سے نئے کاروباری مواقع کے دروازے کھلیں گے۔

ہم تمام ملازمین کا درست سمت میں پیش رفت کرنے کے لیے پوری لگن کے لیے تہہ دل سے شکر یہ ادا کرنا چاہیں گے۔ ایک ساتھ، ہم مسلسل کامیابی اور ترقی کے لئے پر عزم ہیں۔

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