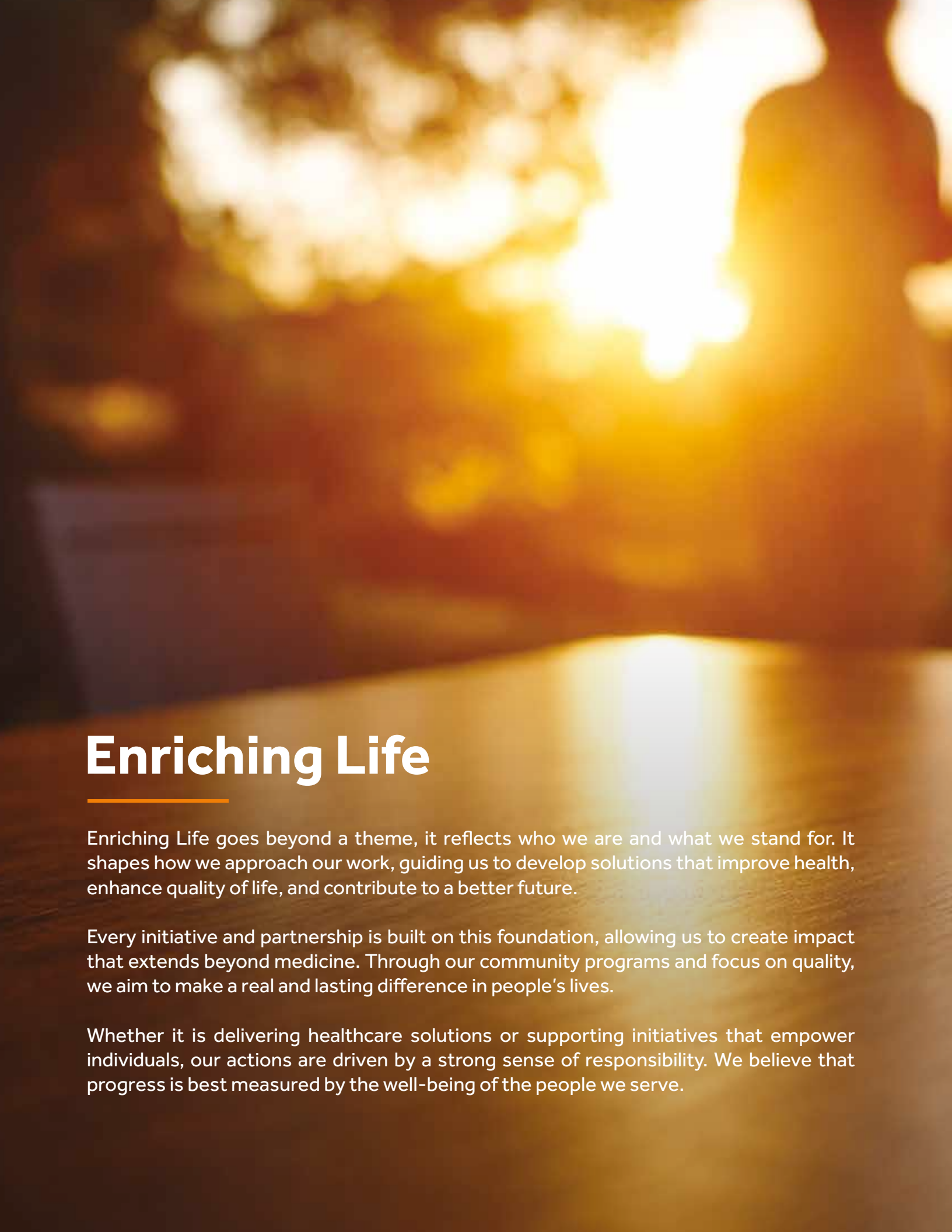




Enriching Life





Enriching Life

Enriching Life goes beyond a theme, it reflects who we are and what we stand for. It shapes how we approach our work, guiding us to develop solutions that improve health, enhance quality of life, and contribute to a better future.

Every initiative and partnership is built on this foundation, allowing us to create impact that extends beyond medicine. Through our community programs and focus on quality, we aim to make a real and lasting difference in people's lives.

Whether it is delivering healthcare solutions or supporting initiatives that empower individuals, our actions are driven by a strong sense of responsibility. We believe that progress is best 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.



Our Core Values



Perseverance

Staying true to the cause is our key to success



Reliability

We earn trust by remaining consistent in quality



Compassion

We are humble, empathic, and help each other grow



Integrity

We remain honest and fair even if no one is watching



Courage

We leap beyond our comfort zone



Customer Focus

Enriching life is our driving force

Our Aspiring Values



Passion

Enriching life is our driving force

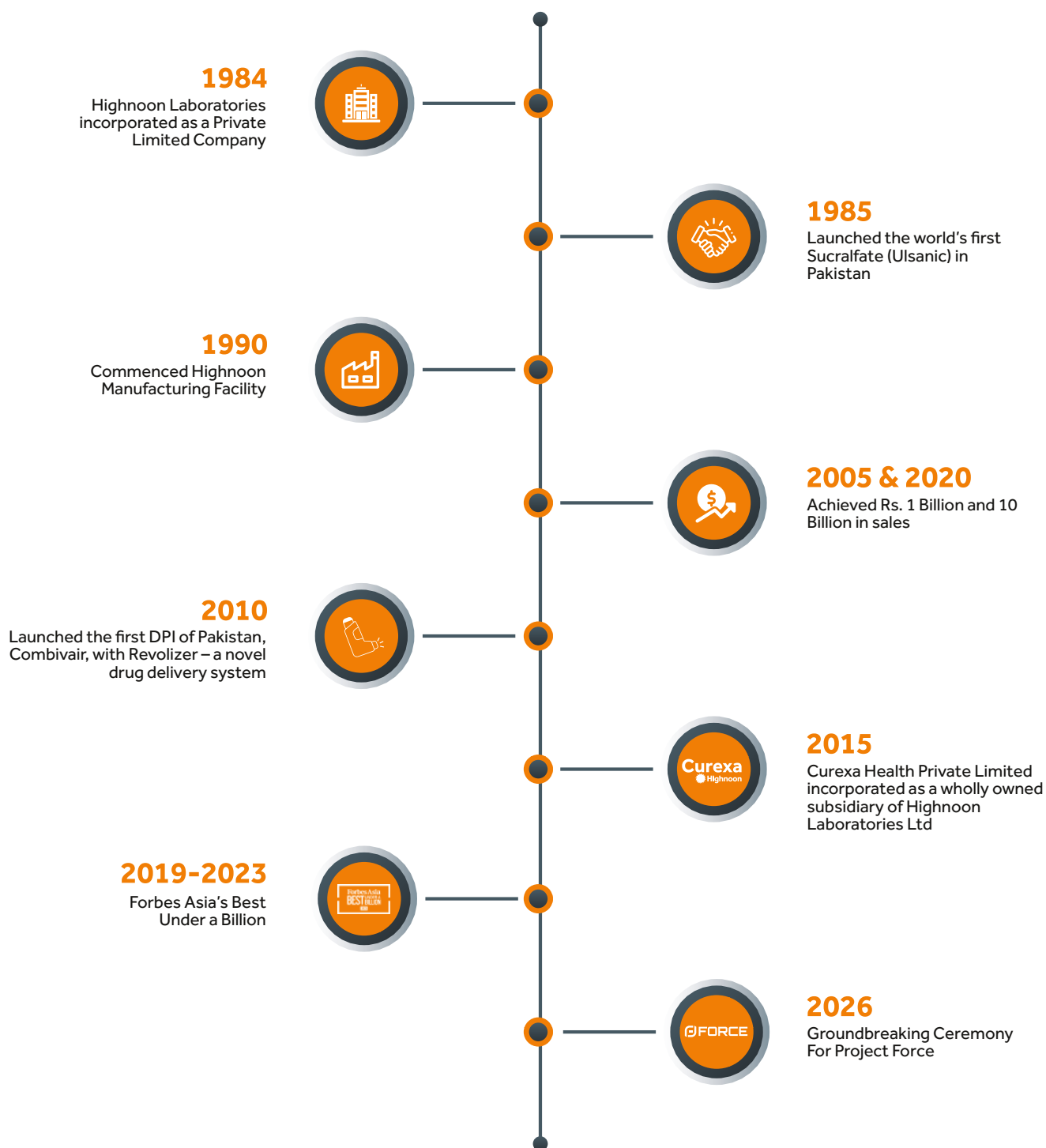


Innovation

We constantly break new ground



Company Milestones **Timeline**



The header image features a city skyline at night with a glowing line graph overlaid. The graph has several data points with numerical labels: 12.8890, 38.80090, and 45.8090. In the foreground, there are several stacks of gold coins of varying heights, some of which are also part of the graph's data series.

Financial Highlights



Sales
Increased by
11.2%

2025 : Rs. 25.78 billion
2024 : Rs. 23.19 billion



Earnings
Per Share
26.6%

2025 : Rs. 77.75
2024 : Rs. 61.41



Total Assets

Grew by

14.6%

2025 : Rs. 18.41 billion

2024 : Rs. 16.06 billion



EBITDA

up by

27.7%

2025 : Rs. 7.07 billion

2024 : Rs. 5.54 billion



Profit

After Tax up by

26.6%

2025 : Rs. 4.11 billion

2024 : Rs. 3.25 billion



Equity

Increased by

17.4%

2025 : Rs. 13.17 billion

2024 : Rs. 11.22 billion



Gross Profit

Increased by

18.4%

2025 : Rs. 14.12 billion

2024 : Rs. 11.92 billion



Break-up Value

Per Share Increased by

17.2%

2025 : Rs. 248.57

2024 : Rs. 212



Business Model

Business Model

The Group's value creation process is anchored in its mission and long-term strategic vision and forms an integral part of its business strategy. By effectively deploying its capitals in line with strategic priorities, the Group seeks to optimize value creation and preservation for stakeholders while mitigating risks that could lead to value erosion.

Our Inputs

A. Financial Capital

Access to financial resources, including internally generated cash flows and shareholder capital, enables Group to sustain operations, meet regulatory obligations, and execute its strategic priorities.

- Rs. 1,819,912,604 of operating cash flow generated during the year
- Rs. 13,752,977,141 of equity
- Rs. 308,118,011 of borrowed funds

B. Manufactured Capital

Highnoon Group manufactured capital includes its pharmaceutical production facilities, equipment, and infrastructure, enabling compliant and consistent medicine manufacturing.

- Rs. 4,400,566,790 of property, plant and equipment (PPE)
- Dedicated cephalosporin facility

C. Intellectual Capital

Highnoon Group intellectual capital comprises its product portfolio, regulatory approvals, quality systems, operating procedures, and technical expertise, supporting compliant manufacturing and sustained market access.

- A product portfolio of over 90 registered products
- Intangible assets of Rs. 37,851,548
- Regulatory approvals and product registrations

D. Human Capital

Highnoon Group human capital comprises skilled professionals across manufacturing, quality, regulatory, and support functions, whose expertise and commitment to compliance and continuous improvement underpin product reliability and operational excellence.

- A skilled workforce of 2,563 employees
- 3,914 training hours

E. Social and Relationship Capital

Highnoon Group maintains strong relationships with regulators, healthcare professionals, suppliers, and distributors, with trust and ethical engagement supporting its reputation and effective participation in the healthcare ecosystem.

- Long-term relationships with regulators and healthcare professionals
- Social licence to operate
- Established domestic and export distribution networks

F. Natural Capital

Natural capital, including water, energy, and other environmental resources, plays a vital role in supporting manufacturing operations. The Group recognizes that responsible management of these resources is essential for maintaining operational continuity, minimizing environmental impact, and contributing to long-term sustainability.

- 9.86 megalitres of water consumed in manufacturing operations
- 2,356 GJ energy generated using renewable sources

Our Business Activities

Our Outputs

1. Procurement

Acquiring high-quality raw materials, APIs, and packaging from reliable suppliers to ensure uninterrupted production, maintain product quality, and meet regulatory requirements.

2. Manufacturing

Converting raw materials into safe, effective, and GMP-compliant pharmaceutical products, leveraging advanced facilities and skilled personnel to maintain consistent output and efficiency.

3. Product Development

Research, designing, and improving drug formulations to meet therapeutic needs, regulatory standards, and market demand, supporting both innovation and competitiveness.

4. Quality Check

Conducting rigorous testing and inspections at every stage of production to ensure each batch meets strict safety, efficacy, and regulatory compliance standards.

5. Marketing and Sales

Engaging healthcare professionals, hospitals, and distributors through targeted marketing and sales strategies to drive product adoption, build brand trust, and generate sustainable revenue.

Capsules

Oral Drops

Tablets

Dry Powder Suspension

Sachet

Injectables

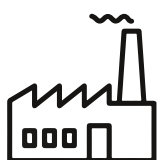
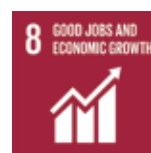
Sustainable Business Outcomes

Outcomes



Financial

EBITDA: Rs. 7,167,386,765
Return on equity: 30.02%
Cash dividend of Rs. 50 per share



Manufactured

Rs. 285,262,846 invested in Property, Plant and Equipment (PPE)
123.73 million of total units produced
No adverse outcomes from regulatory inspections at sites



Outcomes



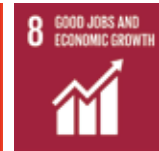
Intellectual

Brand value: Rs. 834,230
Intangible assets: Rs. 37,851,548
Zero product recalls



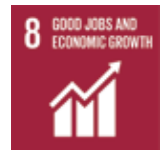
Human

Rs. 33,933,670 investment in employees training
32.31% employee turnover rate
Total 2 recordable injuries
Rs. 4,309,102,251 amount paid in salaries and benefits
Female board representation: 14.29%



Social and Relationship

Economic value generated:
Rs. 28,043,045,688
Community Investment: Rs. 2,180,000
Zero fines and penalties related to ethical marketing
Rs. 1,686,591,649 taxes paid to government



Natural

Total Emissions: 6,215.84 (tCO₂e)
Total Waste Generated: 198.63² metric tonnes
Total Energy Consumption: 72,279.03 GJ
Total Water Consumption: 9.86 Megalitres



ESG Highlights



6,215
Total Emissions
(tCO2e)



10
Water Consumption
(Megalitres)



199
Waste Generated
(Metric Tonnes)



3,914
Total Training
Hours



32%
**Employee Turnover
Rate**



2
**Recordable
Injuries**



2
**Total Independent
Directors**



30%
**Return on
Equity**



Rs. 50
**Dividend per
Share**



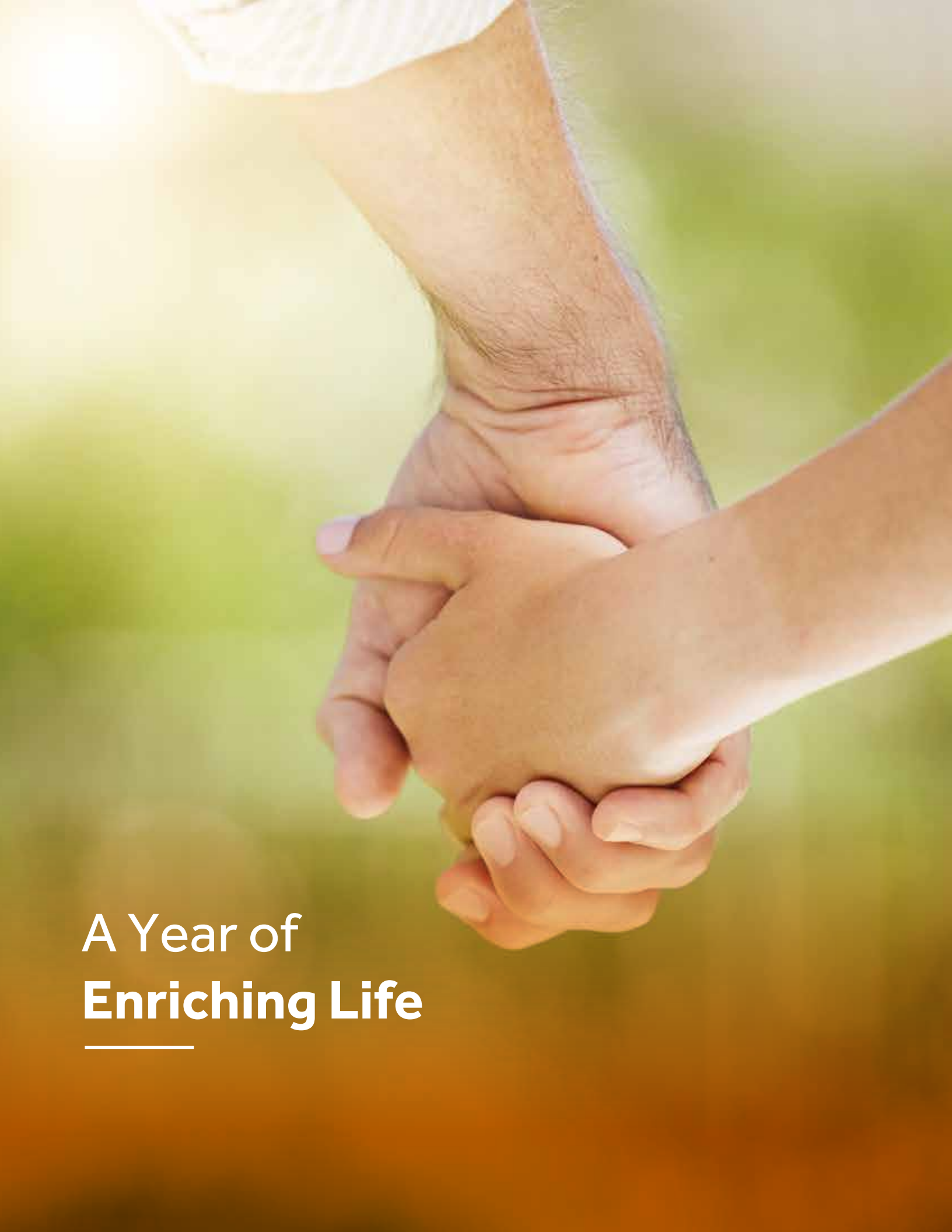
NIL
**Total Product
Recalls**



~ 5 million
**Total Patients
Treated**



93
**Total Drugs in
Portfolio**



A Year of **Enriching Life**



SETTING NEW STANDARDS IN PHARMA EXCELLENCE

Highnoon Pharmaceuticals proudly received three honors at the 8th Pharma Export Summit & Awards (PESA 2025) — the Pharma Export Award, Highnoon Vision Award, and Platinum Sponsorship Award.

Earning Global Recognition in Pharma Exports

Highnoon was honoured **at the 8th Pharma Export Summit & Awards (PESA 2025), where we received three prestigious recognitions.**

We were honoured to receive the Pharma Export Award in recognition of our significant contribution to strengthening Pakistan's pharmaceutical exports on the global stage; the Highnoon Vision Award, presented posthumously to Late Jawaid Tariq Khan in tribute to his visionary leadership and unwavering commitment to innovation and enriching lives through better healthcare; and the Platinum Sponsorship Award, conferred upon us as the principal sponsor of this landmark industry event.

Honoured at the 40th Corporate Excellence Awards

Highnoon was recognised as Runner-Up in the Pharmaceutical Sector at the **40th Corporate Excellence Awards** by MAP, an acknowledgement of our governance standards, performance, and long-term vision for healthcare in Pakistan.

40th CORPORATE EXCELLENCE AWARDS



Distinguished Partner For (Best Place to Work Awards 2025)

Highnoon was a Silver Sponsor at the **Best Place to Work (BPTW) Awards 2025**, reinforcing our belief in creating an environment where employees feel valued, empowered, and inspired to deliver their best work.





Highnoon x Beximco - Uniting for Excellence

Highnoon has entered a strategic partnership with **Beximco Pharmaceuticals PLC**, a globally recognised pharmaceutical leader from Bangladesh.

This collaboration will bring advanced therapies and innovative drug delivery systems to Pakistan, with a focus on Respiratory, Diabetes and Cardiovascular care.

This partnership is underpinned by a shared commitment to innovation, quality, and improving patient lives.

Investing in Youth: LUMS Futsal Court Alliance

Highnoon partnered with LUMS to sponsor the futsal court, reinforcing our commitment to supporting youth development and promoting healthy, active lifestyles. This collaboration aligns with our broader CSR and youth engagement strategy, enabling us to contribute to the development of quality sports facilities while strengthening the Company's presence within one of Pakistan's leading academic institutions.



Shaping the Digital Strategy Roadmap with IFC

Highnoon successfully concluded its Final Digital Strategy Readout in collaboration with the **International Finance Corporation (IFC)**, a major milestone in our digital transformation journey.

Together, the Company has established a clear roadmap focused on automation, data-driven decisions and building a strong digital culture across short, medium, and long-term objectives.



Expanding Global Footprint

Respiratory Care in Somalia

Highnoon successfully **launched its Respiratory portfolio in Somalia**, marked by a Respiratory Symposium held on 28th December in Mogadishu. As the strategic shareholder of Moumin Pharma & Health Care, Highnoon remains committed to delivering high-quality medicines that support better health outcomes.



PATDC & SCE Ethiopia

Highnoon continued to advance its global presence by taking Pakistani pharmaceutical innovation to new horizons.

Highnoon joined the 5th PATDC & SCE Exhibition in Ethiopia, connecting markets, forging partnerships, and shaping the future of global healthcare.





Charting the Course of Aspiration

Every milestone begins with a vision. At the Business Aspiration Event, our leaders came together to discuss future strategies, drive meaningful change and sharpen the strategic roadmap for the year ahead. With determination and unity, the Company is committed to translating strategic ambition into measurable outcomes.





A Leap Towards Global Pharma Compliance

Highnoon marked a significant milestone with the groundbreaking of Project FORCE, its greenfield manufacturing facility, a purpose-built expansion on a new site.

This strategic investment aims to establish a world-class, globally compliant facility, strengthening manufacturing capabilities, supporting future growth, and expanding reach across local and international markets.

Aligned with international quality and regulatory standards, Project FORCE reflects the Company's commitment to operational excellence, sustainable manufacturing, and reinforcing its competitive position in an increasingly demanding global landscape.



Celebrating 79th Anniversary of Independence

Singing anthems, reciting nazams, competing in quizzes and showcasing cultural flair, Team Highnoon celebrated Independence Day with pride, joy and and great enthusiasm.

It was a memorable occasion that reflected the Company's deep sense of national pride. Highnoon wishes Pakistanis around the world a Happy Independence Day!





Revolutionising Pharma Marketing at Health Asia 2025

Highnoon's Chief Business Officer, Mr. Shahnawaz Baig, participated as a panelist at the Pharmaceutical Marketing 4.0 Conference at Health Asia 2025.

Speaking on **"Redefining Pharma Marketing,"** he shared insights on evolving brand dynamics and the growing role of digital and social media in shaping future healthcare communication.

Highnoon's participation reflects its commitment to driving meaningful dialogue, enhancing patient engagement, and advancing modern healthcare communication.





Building Women Leaders Through ERG Forum

Highnoon proudly launched the **ERG Forum for Women**, dedicated to fostering growth, mentorship and opportunity. With the presence and support of our CEO, Dr. Adeel Abbas and the Executive Committee, this initiative reinforces our commitment to inclusion and diversity in leadership, reinforcing Highnoon's position as an employer of choice for women.



ESG Capacity Building

At Highnoon, we continued its ESG journey with an organisation-wide session on Sustainability-Related Risks & Opportunities (SRROs).

Together, Highnoon is translating learning into action, building a future-ready and responsible business for its people, its stakeholders, and the communities it serves.



Highnoon

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Training & Development

Developing World-Class Leadership

Harvard

Dr. Azfar Abbas's participation in the Executive Leadership "Skills Experienced Leaders Need to Succeed" programme at Harvard University underscores Highnoon's commitment to continuous learning, global exposure, and future-ready leadership.



Wharton

A rigorous six-day **executive program at The Wharton School** enabled **Sajjad Hafeez** to further sharpen strategic thinking, lead with conviction, and act decisively. Through immersive simulations and real-world case discussions, he deepened resilience, strengthened leadership presence, and enhanced his ability to inspire teams while navigating complex challenges with confidence.

INSEAD

For Highnoon, leadership development is a continuous journey. Building on its collaboration with The Wharton School, we further strengthened this commitment by nominating **Mr. Shahnawaz Baig** for the **Executive Development Programme at INSEAD**.

Designed to enhance strategic agility, sustainability, and digital leadership, the programme empowers its leaders to think strategically and lead with confidence, driving impact while staying true to its vision of enriching life.



Blanchard Framework

A globally recognised leadership programme by Antony Demetriou equipped leaders with the Blanchard framework to adapt their leadership style, strengthen communication, and accelerate team development.

Grounded in decades of research, the programme fostered a high-performance culture built on trust, accountability, and engagement.



LUMS - AI for Business Impact



Highnoon conducted a two-day hands-on programme at LUMS, designed to build practical AI literacy across the organisation. Facilitated by Dr. Agha Ali Raza, participants learned to reimagine work with AI, master GPT models, apply AI ethically, and boost productivity through smart integration, equipping teams with the skills to confidently navigate and leverage AI in today's rapidly evolving business environment.

FranklinCovey: Critical Practices for Leading a Team

A highly engaging one-day programme by FranklinCovey, designed to strengthen people management skills across six core practices, developing a leader's mindset, holding regular one-to-one meetings, setting up teams for results, creating a culture of feedback, leading through change, and managing time and energy. Participants gained proven strategies to maximise team engagement, delegate effectively, give and receive meaningful feedback, and guide their teams through change with confidence.



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International Women's Day - Empowering Action with MBTI

This International Women's Day, Highnoon took action through MBTI training, High Talk discussions, and a special celebration honouring women's achievements. Fostering an inclusive workplace where every employee is heard and empowered.



Where Culture Meets Quality

Highnoon Laboratories successfully conducted the Quality Management Maturity Programme (QMMP). This cross-functional workshop focused on key dimensions of the Quality Management Maturity framework, including FDA expectations, Quality by Design (QbD), risk mitigation, supply chain resilience, continuous improvement and regulatory readiness.



A man with dark hair, a beard, and glasses is smiling at the camera. He is wearing a white lab coat over a grey button-down shirt. He is also wearing green nitrile gloves and holding a clipboard with a pen. The background is a laboratory setting with shelves containing various bottles and equipment. A bright light fixture is visible on the ceiling.

Expanding Access to
Quality Healthcare



#EnrichingLife

Half a Decade of Care: Highnoon & ISH Partnership for May Measure Month

May Measure Month (MMM) is a global blood pressure screening and awareness campaign by the International Society of Hypertension (ISH), aimed at identifying individuals with raised blood pressure and improving public understanding of hypertension. Highnoon proudly marked its 5th consecutive year as the Official Partner in Pakistan for May Measure Month 2025, continuing its commitment to expanding blood pressure screening and raising nationwide awareness about hypertension.

10
Institutions

1,000
Screening camps



Protecting Every Beat: World Heart Day

One heart. One chance.
Endless reasons to protect it. This World Heart Day, **Highnoon stood in solidarity with patients and communities in the pursuit of better heart health** because only you can **#ProtectEveryBeat**

**PROTECT
EVERY
BEAT** 



Turning Awareness into Action: World Diabetes Day

This World Diabetes Day, Highnoon turned awareness into action. Highnoon organised on-site glucose screenings for all employees, encouraging everyone to understand their health, make informed choices, and take meaningful steps toward a better lifestyle. Together, the Company continues to champion its employee wellness initiative, Well-Being Aaj Say, by promoting regular health checks and inspiring one another to take charge of employee well-being.



**13 Million +
Lives Touched**



Think Health. Think Pharmacist.

Highnoon Laboratories hosted a World Pharmacists Day event at the Highnoon manufacturing facility, honouring the vital role pharmacists play in patient care and innovation.

The day featured inspiring leadership talks, a knowledge quiz, recognition giveaways, and a ceremonial cake-cutting. Highnoon proudly saluted their dedication.



Highnoon



Highnoon

#EnrichingLife



Highnoon

#EnrichingLife



#WorldPharmacistsDay

Dastaras Ramzan: Making Diabetes Care Accessible

Highnoon's Dastaras Ramzan campaign marked a significant milestone with Risk Assessment Workshops across 24 cities in Pakistan, including Lahore, Islamabad, Faisalabad, Multan, Karachi, and Peshawar. With over 1,000 General Practitioners trained, the workshops focused on assessing diabetic patients' fitness for fasting in alignment with DAAR and IDF guidelines. The initiative was well received by Healthcare Professionals (HCPs), reinforcing Highnoon's commitment to advancing accessible and clinically informed diabetes care across Pakistan.



دستارِ رمضان
MAKING DIABETES CARE
ACCESSIBLE TO EVERYONE



Breast Cancer Awareness: Choose to Act

This Pinktober, Highnoon reaffirmed its commitment to raising awareness and helping save lives.

Highnoon acknowledges the contribution of Dr. Samar Ghufuran for leading an informative session that highlighted early detection and timely care remain the most effective tools in combating breast cancer.



Leading the Way in Chest Care - 5th National ChestCon

Highnoon proudly partnered as a Platinum Sponsor at the 5th National ChestCon. It was an honour to stand alongside the Pakistan Chest Society (KPK Chapter) in advancing the future of respiratory medicine. Highnoon is grateful to all the speakers, participants, sponsors, and organisers whose contributions made this a landmark event for respiratory medicine. Highnoon remains committed to championing advances in respiratory health.



#EnrichingLife



#EnrichingLife

Advancing Cardiac Care

Collaboration with NICVD, SICVD and HAMI

Highnoon Laboratories proudly joined forces with NICVD, SICVD and HAMI to launch the Fantastic 4 campaign, a united front against Hypertension, Diabetes, Obesity and Dyslipidemia. Through this strategic collaboration, driving awareness, early detection and preventive action in support of improved cardiovascular and metabolic health outcomes.



Partnering to Save Lives with Fatimid Foundation

As part of its community health commitment, Highnoon, in collaboration with Fatimid Foundation, proudly hosted a Blood Donation Drive with more than 40 volunteers participating in the drive.



Fildil Launch: A Breakthrough in Care

The launch of Fildil marked a major milestone in Highnoon's brand journey. Centred on the theme of 'Freedom,' the launch introduced a patient-centric approach with on-demand and daily-dose options. Supported by cross-functional teams, Fildil quickly gained market leadership, becoming the fastest brand in Highnoon's portfolio to reach Rs. 200 million in sales and setting a new benchmark for launch excellence.



Combivair - A Flagship Brand Milestone

Combivair (Budesonide + Formoterol Fumarate) surpassed Rs. 2 billion in sales in 2025, solidifying its place as Pakistan's leading respiratory brand. As the pioneer of the Dry Powder Inhaler, Combivair has transformed asthma care, setting new benchmarks in patient-centric treatment and advancing access to advanced respiratory therapies nationwide.





Numtrol: Boosting Vitamin D Wellness

Driven by passion and purpose, Highnoon held a landmark product launch unveiling something truly meaningful. Numtrol was introduced to address a significant unmet need, with the potential to meaningfully improve patient outcomes.



Expansion of Highnoon's Respiratory Portfolio

Highnoon further strengthened its leadership in respiratory care with the introduction of **three new products, Minvair, Umvair, and Umvair F**, expanding treatment options across both **asthma and COPD patient segments**.



Minvair - Once Daily Asthma Innovation

Launched in **January 2025**, **Minvair** introduced a significant advance in asthma management as **Pakistan's first once-daily Dry Powder Inhaler (DPI)**.

Combining **Indacaterol and Mometasone Furoate**, Minvair delivers sustained bronchodilation with strong anti-inflammatory control in a **convenient once-daily dosing regimen**. This simplified treatment approach addresses one of the key challenges in asthma management 'Patient Adherence' by making therapy easier and more convenient for patients.

Following its launch, Minvair has gained strong physician acceptance and is positioned to play a key role in establishing the **once-daily asthma therapy segment in Pakistan**.

Redefining COPD Care: Umvair & Umvair F



The launch of **Umvair** and **Umvair F** marked a significant advance in COPD management. These **dual and triple combination DPI therapies** strengthened Highnoon's respiratory portfolio and expanded treatment coverage across distinct COPD patient segments.

As **FDA-approved DPI combinations in their class**, the brands represent a high standard of therapeutic innovation and reinforce Highnoon's commitment to bringing advanced respiratory solutions to Pakistan.



Polio Awareness - Prevention First

In collaboration with the Primary & Secondary Healthcare Department, Highnoon hosted a Polio Awareness Session at its manufacturing facility. The event highlighted the vital role of vaccination in Pakistan's efforts towards polio eradication. Experts shared key insights on prevention, early detection and collective responsibility.



Celebrating Yoga Day with Pakistan Cardiac Society

Highnoon and Pakistan Cardiac Society celebrated International Yoga Day with a revitalising sunrise session in Murree, advocating wellness, clarity and heart health through the power of movement and meditation.



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Guiding the Way
Forward

Board of Directors



Tausif Ahmad Khan

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 to 2025.

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.

Taufiq Ahmed Khan has served as a Director on the Board of Highnoon Laboratories Limited since October 2010. He is also a member of the Board of Directors of Curexa Health (Pvt.) Limited, a wholly owned subsidiary of Highnoon Laboratories Limited.

He brings valuable strategic oversight and business insights through his association with group entities and contributes to the governance and long-term direction of the Company.

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



Taufiq Ahmed Khan

Non-Executive Director

Board of Directors



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 develop 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.

Tauqir Ahmed Khan

Non-Executive Director

Dr. Aman Ullah 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).



Dr. Aman Ullah Khan

Independent Director

Board of Directors



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. Adeel Abbas holds the portfolio of Co-Chairman and CEO. He is serving as CEO of Highnoon Laboratories Limited since 2015. He has a career spanning 27 years, leading senior commercial roles across prominent names in the pharmaceutical industry.

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

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



Dr. Adeel Abbas Haideri

CEO/Executive Director

Board of Directors



Tariq Wajid

Chairman/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.

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Corporate Governance

Company Information

Board of Directors

Tariq Wajid
Chairman

Dr. Adeel Abbas Haideri
Chief Executive Officer

Tausif Ahmad Khan
Director

Tehmina Saeed Chaudhury
Director

Taufiq Ahmed Khan
Director

Tauqir Ahmed Khan
Director

Dr. Aman Ullah Khan
Director

Chief Financial Officer

Ashfaq Alidina

Senior General Counsel & Company Secretary

Baqar Hasan

Head Internal Auditor

Rizwan Shahid

Registered Office and Plant

17.5 Kilometer Multan Road,
Lahore-53700, Pakistan
UAN: +92 42 111 000 465
Fax: + 92 42 37510037
Email:
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

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Makramah Limited (formerly Summit Bank Limited)
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
First Habib Modaraba Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank Limited
United Bank Limited

Board and Management Committees

Audit Committee

Dr. Aman Ullah Khan	Chairperson
Tariq Wajid	Member
Tehmina Saeed Chaudhury	Member
Tauqir Ahmed Khan	Member

Human Resources and Remuneration Committee

Tariq Wajid	Chairperson
Dr. Adeel Abbas Haideri	Member
Tehmina Saeed Chaudhury	Member
Tauqir Ahmed Khan	Member

Sustainability Committee

Tehmina Saeed Chaudhury	Chairperson
Dr. Adeel Abbas Haideri	Member
Tauqir Ahmed Khan	Member

Risk Management Committee

Tariq Wajid	Chairperson
Dr. Adeel Abbas Haideri	Member
Tauqir Ahmed Khan	Member
Dr. Aman Ullah Khan	Member

Nomination Committee

Tausif Ahmad Khan	Chairperson
Tauqir Ahmed Khan	Member
Tehmina Saeed Chaudhury	Member

Executive Committee

Dr. Adeel Abbas Haideri	Chairperson
Tauqir Ahmed Khan	Member
Aamir Zafar	Member
Ashfaq Alidina	Member
Dr. Azfar Abbas Haidrie	Member
Syed Zulfiqar Ali Zaidi	Member
Shahnawaz Baig	Member

I.T Steering Committee

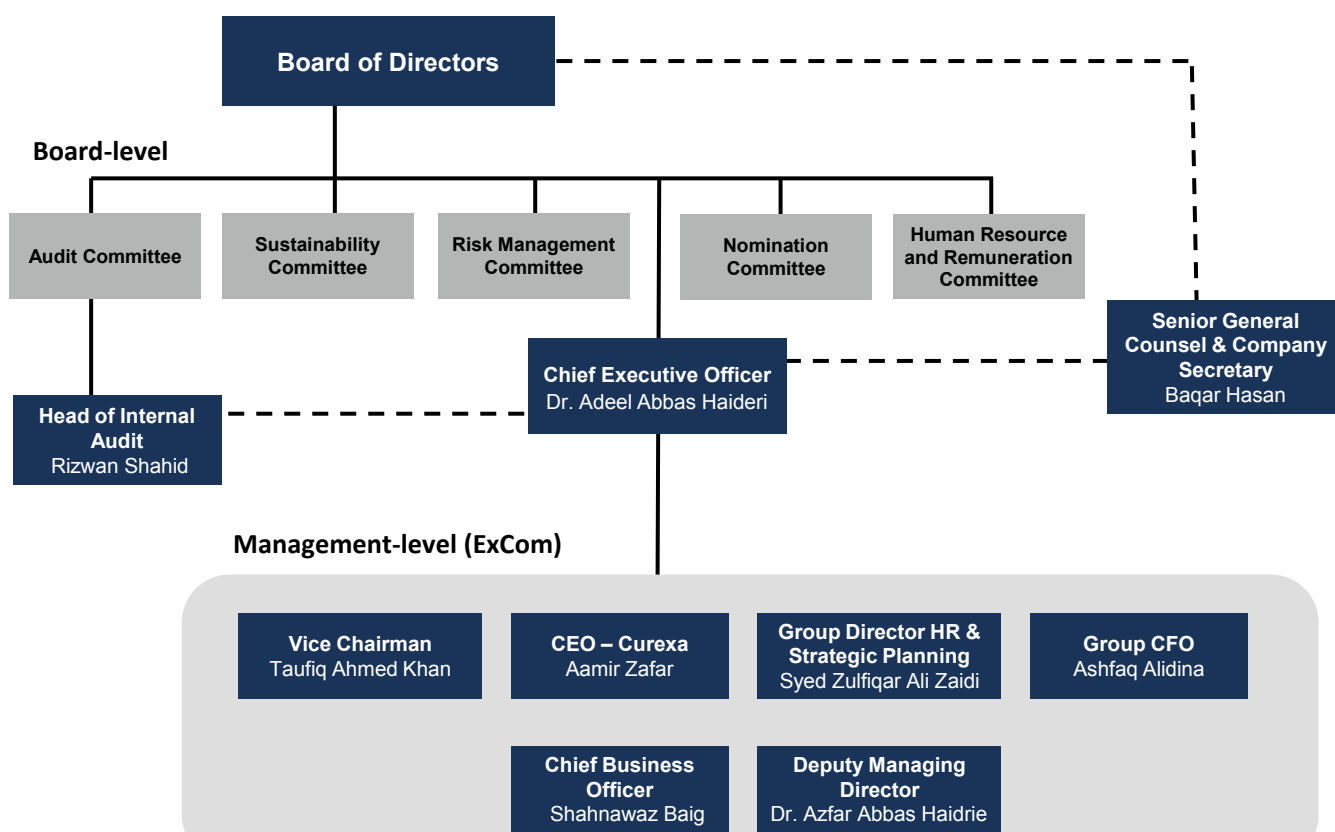
Tauqir Ahmed Khan	Chairperson
Dr. Adeel Abbas Haideri	Member
Ashfaq Alidina	Member
Syed Zulfiqar Ali Zaidi	Member
Shahnawaz Baig	Member
Farhan Iftikhar Hashmi	Member

Our Approach to Governance

At Highnoon Laboratories Limited, ("The Company") governance is embedded as a core strategic function and a key enabler of long-term value creation within a highly regulated and risk-sensitive pharmaceutical operating environment. It extends beyond regulatory compliance to encompass structured oversight, accountability, and risk management at the highest level of the organization. Through its leadership, the Board promotes a culture grounded in integrity, accountability, transparency and ethical conduct across all levels of the organization. This approach supports informed and responsible decision-making and reinforces the Group's commitment to creating and sustaining long-term value for its stakeholders.

The Board has established a formal and structured governance framework that clearly defines roles, responsibilities, and delegated authorities across the Group, ensuring effective oversight and accountability at all levels of the organization and its integration within the Enterprise Risk Management (ERM) framework. The framework integrates governance practices into strategic planning, capital allocation, operational management, performance evaluation, and enterprise risk management processes. It is specifically designed to embed sustainability and climate-related considerations into core decision-making, with clearly delineated oversight responsibilities across the Board, its Committees, and executive management. This ensures that sustainability-related risks and opportunities are assessed with the same discipline, transparency, and rigor applied to financial, operational and strategic risk exposures.

The governance structure of the Company is presented below.



TERMS OF REFERENCE (TORs) OF THE BOARD COMMITTEES

AUDIT COMMITTEE (AC)

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

Governance Oversight

- a) Undertake the responsibilities for the oversight of sustainability and climate-related risks and opportunities that could reasonably be expected to affect the Company's cash flows, access to finance, or cost of capital over the short, medium, and long term.
- b) Ensure that the Highnoon's sustainability governance structure, processes, and controls are adequate to identify, monitor, manage, and report the sustainability and climate-related risks and opportunities, material to Highnoon and pharmaceutical Industry.

- c) Provide the Board with half-yearly updates on how the Committee's oversight is exercised, including how relevant sustainability and climate-related risks and opportunities are factored in decision making, the respective implementation, and tracking.

Materiality, Financial Effects, and Risk Concentration

- a) Review the sustainability and climate-related risks and opportunities that are material to Highnoon's Business Prospects.
- b) Ascertain the concentration of sustainability and climate-related risks within the Company's business model, operations, and value chain.
- c) Present half-yearly findings and interim updates about material changes to the Board.

Time Horizons and Strategic Integration

- a) Define and annually reassess the relevant time horizons – short, medium, and long term – over which material risks and opportunities are expected to manifest, consistent with the Highnoon's strategy and financial planning cycle.
- b) Ensure that time horizons used in sustainability risk assessments are aligned with those used in strategic decision-making.

Strategy and Resource Allocation

- a) Oversee integration of sustainability and climate-related risks and opportunities into corporate strategy, business planning, and capital allocation.
- b) Present strategic actions to the Board, to address and manage the material risks and opportunities.
- c) Ensure major strategic decisions are reviewed for sustainability-related implications.

Target Setting and Performance Tracking

- a) Oversee the development of measurable targets for sustainability and climate-related performance (e.g., emissions reduction, energy transition, water intensity, biodiversity, etc.).

- b) Ensure that these targets are:
 - time-bound, with baseline and progress indicators
 - aligned with broader sustainability goals and strategy
- c) Present half-yearly target progress reports to the Board, including an explanation for any underperformance or deviations.

Remuneration and Incentivization

- a) Recommend the integration of sustainability and climate-related performance indicators into the remuneration structures for Senior Leadership and Executive Management.
- b) Coordinate with the Human Resource and Remuneration Committee to ensure alignment with corporate remuneration policy.

Delegation to Management and Oversight

- a) Delegate implementation of sustainability and climate strategies to senior management, clearly defining roles, accountability, and expected deliverables.
- b) Approve operational KPIs for sustainability, and require half-yearly reports from management summarizing:
 - Progress against targets
 - New or emerging risks
 - Performance shortfalls
 - Resource needs

Climate Resilience and Transition Plan

- a) Present to the Board a climate transition plan, if applicable, outlining how Highnoon intends to respond to climate-related risks and opportunities, including emission reduction targets, timelines, milestones, and capital investments.
- b) Ascertain the resilience of Highnoon's sustainability strategy and business model to climate change and other evolving sustainability-related risks.

Adaptation and Mitigation Measures

- a) Present to the Board, Highnoon's plans and capacity to adapt or adjust its business model and operations in response to identified climate and sustainability risks.
- b) Ensure that mitigation strategies are realistic, financially viable, and integrated into strategic business plans and disclosed over the applicable time horizons.

Major Transactions and Strategic Decisions

- a) Review all major strategic decisions, including mergers, acquisitions, capital expenditures, and divestments, to ensure sustainability and climate-related risks and opportunities have been appropriately considered.
- b) Advise the Board on the trade-offs involved in such decisions, particularly where sustainability-related risks or opportunities may affect long-term value creation.

Reporting and Compliances

- a) Oversee the preparation, accuracy, and completeness of sustainability-related disclosures included in Highnoon's general purpose financial reports, ensuring compliance with IFRS reporting standards (global framework) and with Local jurisdictions as required by SECP.
- b) Monitor compliance with IFRS Sustainability Disclosure Standards.

Continuous Monitoring and Capacity Building

- a) Monitor evolving regulatory requirements and global sustainability disclosure standards and advise the Board on their implications for Highnoon.
- b) Promote capacity building within the Committee and across the organization to effectively manage sustainability and climate-related responsibilities.

NOMINATION COMMITTEE

The terms of reference of the Nomination Committee.

- a) keep under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;

- b) give full consideration to succession planning of the Board, including the development of a diverse pipeline for directors and other senior executives in the course of its work;
- c) consider and make recommendations to the Board in respect of the Board's committees and the chairmanship of the Board's committees;
- d) be responsible for identifying and recommending the candidates for the approval of the Board after evaluating their suitability i.e., balance of skills, knowledge, experience and diversity, to fill Board vacancies as and when they arise;
- e) determine the annual assessment criteria and process to assess the effectiveness of the Board, its committees and each individual director;
- f) review the results of the Board evaluation process that relate to the composition of the Board;
- g) develop criteria to assess independence and to assess on an annual basis, the independence of the Independent Directors;
- h) review the training need for Directors and ensure Board members receive appropriate training programs;
- i) review and approve a statement in the Company's Annual Report about its activities during the year; and
- j) perform such other duties and responsibilities as may be assigned time to time by the Board of Directors.

RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee are:

- a) To oversee and advise the Board on risk-related matters, comprising both financial risks and non-financial risks (e.g., strategic, operational, compliance, resilience, sustainability, reputational, fraud, human capital, digital transformation risks etc.);
- b) To assess the Company's risk profile, including how risks arising from the Company businesses are controlled, monitored, and managed by management;
- c) To focus on current and forward-looking risks to assess the Company's vulnerability and resilience to potential risks;
- d) To advise the Board on risk appetite and risk tolerance related matters and to ensure that risk appetite is integrated across strategic planning, capital allocation, and financial planning;
- e) To review and recommend the Risk Appetite Statement, on an annual basis, to the Board for approval;
- f) To review the Enterprise Risk Management (ERM) Framework annually and consider a report from Internal Audit function that it is operating effectively across the Company;
- g) To oversee how effectively management is embedding and maintaining an effective risk management and control system and culture to foster compliance with policies and regulatory requirements;
- h) To review and endorse the content of company's risk management framework and internal control system in the annual report aligned with local and all applicable international reporting frameworks;
- i) To monitor and review of all material controls (financial, operational, compliance and sustainability etc);
- j) To ensure that risk mitigation measures are robust and integrity of financial information is ensured;
- k) Work and liaise as necessary with all other Board Committees (including to determine where there are an overlap or any gaps in responsibilities).

Skills and Competencies

Recognizing that effective oversight of sustainability related matters requires specialized expertise, the Board conducted a structured competency assessment to assess skills and competency available to oversee strategies designed to respond to sustainability and climate-related risks and opportunities. The skills assessment informs director training priorities, succession planning, and future Board refreshment to ensure sustained governance capability and effective oversight of strategically critical sustainability matters. For each topic, Board members evaluated their proficiency across four defined levels: basic, intermediate, good international, and leadership. Based on these evaluations, a comprehensive Board Skills Matrix was developed to map both individual and collective capabilities, providing a clear overview of the Board's strengths and areas for development.

Skills	Tariq Wajid	Dr. Adeel Abbas Haideri	Taufiq Ahmed Khan	Tausif Ahmed Khan	Tehmina Saeed Chaudhury	Tauqir Ahmed Khan	Dr. Amanullah Khan
Climate Risk Management							
Risk Management							
Governance, Ethics & Compliance							
GHG Emissions & Energy Management							
Environmental Sustainability in Pharma							
Manufacturing & Quality Control (GMP, QA)							
Workplace Health & Safety							
Audit & Assurance Oversight							
Climate Transition & Resilience Planning							
Digital Health, Innovation & Cybersecurity							
Public Health & Access to Medicines							
Human Capital Management							
Investor Relations							
Strategic Business Planning							
Pharmaceutical Logistics & Cold Chain							
Equity, DEI & Human Rights in Supply Chain							
Pharma Circular Economy Knowledge							
Brand Reputation & Market Positioning							

The Skills Matrix enables the Board to determine whether it collectively possesses sufficient expertise to oversee strategies designed to respond to sustainability and climate-related risks and opportunities. It also helps identify areas where additional capability strengthening may be required. Where gaps or development needs are identified, the Board determines appropriate actions, which may include targeted training sessions, external expert briefings, and capacity- building workshops. The Board reviews this competency assessment periodically to ensure that its composition remains aligned with evolving sustainability expectations, regulatory developments, and strategic priorities. Through this structured and forward-looking approach, Highnoon ensures that appropriate skills and competencies are available to support effective oversight of sustainability-related strategies and long-term value creation.

Basic
 Intermediate
 Good International
 Leadership

Integration of Sustainability Considerations into Remuneration

The Company's remuneration framework is governed by the Directors' Remuneration Policy and the Total Rewards & Compensation Policy, both of which are designed to ensure alignment between performance, sound governance, and long-term value creation.

The Human Resource & Remuneration (HR & R) Committee is responsible for reviewing and recommending the remuneration of Executive Directors and senior management to the Board for approval. In accordance with the Directors' Remuneration Policy, the remuneration and benefits of the Chief Executive Officer and Executive Directors are determined and approved by the Board upon the recommendation of the HR & R Committee. The policy further ensures that no Director participates in decisions relating to his or her own remuneration, thereby preserving independence, objectivity, and governance integrity.

Under the Total Rewards & Compensation Policy, variable remuneration, including Short-Term Incentives (STIs) and performance bonuses, is linked to defined financial and operational performance metrics. The Group's performance management system evaluates both achievement of agreed objectives and behavioral alignment with Group's Purpose and Values, ensuring that reward outcomes are reflective of overall contribution to strategic and organizational priorities.

During the current reporting period, no specified percentage of executive management remuneration was directly linked to climate-related key performance indicators. However, the Board and the HR&R Committee are evaluating the progressive integration of sustainability and climate related KPIs into executive incentive structures. Subject to Board approval, sustainability considerations are expected to be progressively embedded within the formal performance and incentive framework. This phased approach is intended to strengthen accountability, align executive incentives with sustainability and climate resilience objectives, and reinforce the Group's commitment to long-term enterprise value creation.

ESG Framework



Water Management Policy:

A commitment to responsible water stewardship through efficient use, conservation, and protection of water resources across operations.



Waste Management Policy:

A commitment to minimizing waste through reduction, responsible handling, and recycling practices across operations.



Energy and GHG Management:

Focuses on improving energy efficiency and managing greenhouse gas emissions across operations.



Climate Change:

Focuses on strengthening resilience to climate-related risks and their effects.



Occupational Health and Safety:

Ensures a safe and healthy workplace through effective risk management and safety practices.



Human Rights:

Promotes respect, dignity, and fair treatment for all individuals across operations and the value chain.



Professional Development and Training:

Supports continuous learning and skill development to enable employee growth and career progression.



Whistleblowing:

Enables confidential reporting of concerns while ensuring protection against retaliation.



Child and Forced Labor:

Prohibits the employment of child and forced labor across own operations and the supply chain.



Diversity, Equity and Inclusion:

Promotes an inclusive and fair workplace for all employees.



Anti-Harassment:

Ensures a workplace free from harassment and fosters respectful interactions.



Ethical Marketing:

Promotes products and services in an accurate, transparent, and responsible manner.



Product Safety and Quality:

Upholds high quality and safety standards to ensure product effectiveness, reliability, and patient safety.



Data Privacy and Cybersecurity:

Protects the integrity, confidentiality, and security of information and digital systems.



Directors' Remuneration:

Ensures transparent and fair compensation for Board of Directors.



Anti-Bribery and Corruption:

Prevents unethical practices and ensures integrity in all business dealings.

CODE

OF

CONDUCT

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.



Data Protection and Confidentiality

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



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.



Anti-Bribery and Corruption

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



Whistleblowing

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



Equal Opportunity and Non-Discrimination

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



Conflict of Interest

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



Health, Safety and Environment (HSE)

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



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 2025, is presented in accordance with the circular issued by the Securities and Exchange Commission of Pakistan.

- **Mean Gender Pay Gap: -2.28%**
(On average, Females earn 2.28% more than men based on overall basic salaries.)
- **Median Gender Pay Gap: -51.62%**
(The median salary for women is 51.62% higher than that of men, indicating that a greater proportion of women hold higher-paying roles at the median level.)



Dr. Adeel Abbas Haideri
Chief Executive Officer

Shareholders Communication

January

Budget approval FY 2025

- Human Resource and Remuneration Committee (HR & R)
- Board of Directors Meeting

March

Approval of Annual Account 2024

- Audit Committee Meeting
- Board of Directors Meeting

April

1st Quarter of 2025

- Audit Committee Meeting
- Board of Directors Meeting
- 42nd Annual General Meeting

June

- Corporate Briefing Session 2025

July

- Board of Directors Meeting

August

2nd Quarter of 2025

- Audit Committee Meeting
- Board of Directors Meeting

October

3rd Quarter of 2025

- Audit Committee Meeting
- Board of Directors Meeting

December

- Sustainability Committee

Chairman's Review

The year 2025 marked a meaningful transition for Pakistan's economy, moving from prolonged instability toward gradual normalization. Improvements in inflation, exchange rate stability, and monetary conditions helped restore a degree of predictability for businesses. While challenges persisted, particularly around fiscal discipline and regulatory complexity, the overall environment became more conducive to long-term planning and investment.

In this evolving landscape, Highnoon once again demonstrated resilience, strategic clarity, and operational strength. The Company delivered solid financial performance while maintaining strict financial discipline and a conservative risk posture. Highnoon achieved an ROE of 31.28%, placing Highnoon among the best-performing stocks in the industry, supported by a disciplined operating model and strong execution across its value chain.

More importantly, Highnoon continued to balance commercial success with its broader purpose of advancing accessible and affordable healthcare. During the year, the Company expanded its portfolio with new products, strengthened engagement with healthcare professionals through structured educational and digital platforms, and continued focused investment in employee development and leadership capability.

Operational initiatives aimed at supply chain resilience, process efficiency, and digital integration contributed to margin expansion, with gross margins improving to 54.78%, despite persistent cost inflation and evolving regulatory pressures. These outcomes reflect Highnoon's ability to deliver consistent performance while remaining aligned with its purpose of advancing affordable and accessible healthcare.

A defining feature of our performance remained our volume-led growth model, particularly within chronic therapies. Independent industry insights continued to validate our strategy of prioritizing patient reach and therapeutic relevance over short-term pricing gains. This model not only enhances market sustainability but also strengthens long-term brand equity and institutional trust.

During the year, Highnoon further diversified its product portfolio and strengthened engagement with the medical community through structured educational platforms and digital outreach. At the same time, the Company continued to invest in employee development, leadership pipelines, and organizational culture recognizing that human capital remains central to Highnoon's long-term competitive advantage.

A new greenfield pharmaceutical manufacturing facility was launched at Quaid-e-Azam Business Park, Sheikhpura, aimed at strengthening both domestic supply and export capabilities with world-class standards.

Operationally, the Company made progress in enhancing supply chain resilience, improving process efficiency, and advancing digital integration across commercial and support functions. These initiatives are part of a broader transformation agenda aimed at building a more agile, data-driven, and future-ready organization.

BOARD PERFORMANCE AND GOVERNANCE

The Board of Directors remained deeply engaged in shaping the Company's strategic direction, overseeing risk management, and ensuring robust governance standards. Throughout the year, the Board maintained a strong focus on transparency, accountability, and long-term value creation.

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the annual performance evaluation of the Board was conducted for the year ended December 31, 2025. The Board's overall performance was assessed as Satisfactory, with particular strengths observed in strategic oversight, financial stewardship, and stakeholder alignment.

Recognizing the increasing importance of sustainability, the Board further embedded Environmental, Social, and Governance (ESG) considerations into corporate decision-making. Formal governance mechanisms are in place to

monitor ethical conduct, environmental impact, workplace safety, diversity, and social contribution. The Board remains committed to strengthening sustainability reporting and aligning practices with emerging global standards.

Independent and non-executive directors continued to play a critical role in fostering constructive debate, ensuring independence of judgment, and reinforcing the integrity of governance processes.

FUTURE OUTLOOK

Looking forward, the pharmaceutical sector is expected to benefit from structural tailwinds, including demographic growth, rising disease burden, increasing health awareness, and expanding healthcare infrastructure. At the same time, evolving regulatory frameworks and cost pressures will require disciplined execution and strategic adaptability.

Highnoon's strategic priorities going forward include:

- Building a stronger innovation pipeline,
- Enhancing digital capabilities and data analytics,
- Deepening manufacturing excellence and strengthening quality systems, and
- Strengthening institutional partnerships across the healthcare ecosystem.

The Company remains committed to pursuing profitable growth that is sustainable, ethical, and aligned with national healthcare priorities.

ACKNOWLEDGMENT

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders for their continued confidence in Highnoon's strategy and leadership.

I thank my fellow directors for their guidance, integrity, and collective commitment to strong governance and long-term value creation. I also recognize the constructive role of regulators and policymakers in shaping a more transparent and sustainable pharmaceutical landscape.

Above all, I acknowledge the exceptional contribution of Highnoon's employees, whose dedication, professionalism, and resilience continue to define our success. Their commitment inspires confidence as we advance towards our shared vision of building healthier communities and enriching lives.

onfidence as we advance toward our shared vision of building healthier communities and enriching lives.



Tariq Wajid
Chairman
6th April 2026

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 (the Company) for the year ended December 31, 2025 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, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the statement of compliance:

Paragraph Reference

Description

19	Certain related party transactions were not presented for approval before the Audit Committee /the Board of Directors and disclosed in the financial statements of the relevant quarter as explained in the statement of compliance.
----	--

LAHORE
DATED: 10th April 2026
UDIN:CR202510087UzVZK7N94



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, 2025

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: 02

- i. Tariq Wajid
- ii. Dr. Aman Ullah khan

For Board comprising of seven members, one third of the directors equate to 2.33. Two independent directors have been elected, 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.

b) Non -Executive Directors: 04

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

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 Matter have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of 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 formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. All 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. Dr. Aman Ullah Khan | Chairperson |
| 2. Tariq Wajid | Member |
| 3. Tehmina Saeed Chaudhury | Member |
| 4. Tauqir Ahmed Khan | Member |

b) Human Resource and Remuneration (HR and R) Committee

- | | |
|----------------------------|-------------|
| 1. Tariq Wajid | Chairperson |
| 2. Dr. Adeel Abbas Haideri | Member |
| 3. Tehmina Saeed Chaudhury | Member |
| 4. Taufiq Ahmed Khan | Member |

c) Sustainability Committee

- | | |
|----------------------------|-------------|
| 1. Tehmina Saeed Chaudhury | Chairperson |
| 2. Dr. Adeel Abbas Haideri | Member |
| 3. Tariq Wajid | Member |

d) Risk Management Committee

- | | |
|----------------------------|-------------|
| 1. Tariq Wajid | Chairperson |
| 2. Dr. Adeel Abbas Haideri | Member |
| 3. Taufiq Ahmed Khan | Member |
| 4. Dr. Aman Ullah Khan | Member |

e) Nomination Committee

- | | |
|----------------------------|-------------|
| 1. Tausif Ahmad Khan | Chairperson |
| 2. Taufiq Ahmed Khan | Member |
| 3. Tehmina Saeed Chaudhury | 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 |
| c) Sustainability Committee | 1 |
| d) Risk Management Committee | 1 |
| e) Nomination 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 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 others regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

The Company has generally complied with the requirement to present related party transactions to the Audit Committee and the Board of Directors for review and approval. However, during the year, the following transactions with Curexa Health (Private) Limited, a wholly owned subsidiary, were not initially presented to the Audit Committee for its recommendation to the Board:

- Sales amounting to Rs. 187.012 million during the quarter ended September 30, 2025.
- Transfer of vehicles with a carrying value of Rs. 34.203 million during the quarter ended March 31, 2025.

Subsequently, these transactions were reviewed in detail, duly recommended by the Audit Committee, and approved by the Board of Directors at the time of the annual financial statements, and were appropriately disclosed.

Furthermore, sales made to related parties aggregating to Rs. 580.208 million were not disclosed in the nine-month financial statements, whereas these were disclosed in the financial statements for the six month ended June 30, 2025.

Management has since strengthened internal reporting and review procedures to ensure the timely identification, presentation, and disclosure of all related party transactions in the future.



Tariq Wajid
Chairman

DATED: 06th April 2026

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended December 31, 2025. This report has been prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019.

The Company stands among the well-established healthcare companies of Pakistan, focused on enriching lives and patient care through the manufacture, import, sales, 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 economic landscape reflected cautious stabilization following a prolonged period of volatility. GDP growth remained at 3.04%, while inflation moderated to 5.6%, supported by easing global commodity prices, improved exchange rate stability, gradual monetary easing, and fiscal consolidation.

These developments provided measured relief to the pharmaceutical sector, which continues to operate under cost pressures and regulatory uncertainty. The government's initiative to deregulate prices of medicines not categorized as "essential" by the World Health Organization (WHO), together with improving macroeconomic indicators, created renewed momentum for innovation and portfolio diversification.

The pharmaceutical industry recorded secondary market sales exceeding one trillion rupees, representing a 16.39% year-on-year increase. Domestic manufacturers continued to dominate the market, meeting approximately 78.44% of national demand, underscoring the strategic advantage of local production in an environment of currency volatility.

A key driver of this performance has been the Company's sizeable footprint of chronic therapies. With chronic mix standing at approximately 47%, Highnoon benefits from greater revenue visibility, lower seasonality, and stronger pricing power. The top ten brands contribute approximately 50% of total revenue, providing scale advantages and operating leverage while maintaining brand-led pricing discipline. The Company's consistent pipeline of new launches has also contributed to incremental growth. During 2025, the Company launched 17 new products, including 11 in chronic and 6 in acute therapeutic categories.

Highnoon is among the very few listed companies in Pakistan that have more than 50% of their portfolio in the non-essential drugs category. This enables the Company to sustain higher margins without major price revisions, allowing Highnoon to remain focused on revenue expansion through its volumetric growth strategy.

OPERATING RESULTS

	2025	2024
Key Financial Highlights	(Rupees in Millions)	
Sales	25,789	23,195
Gross Profit	14,126	11,929
Gross Profit %	55%	51%
Operating Profit	6,259	4,801
Operating Profit %	24%	21%
Finance Cost	(122)	(393)
Profit after tax	4,119	3,253
Other comprehensive Income-net of tax	(51)	(39)
Total Comprehensive Income for the Year	4,068	3,213
Un-appropriated profit brought forward	11,221	9,597
Appropriations		
Profit available for appropriation	15,289	12,811
Final cash dividend @ Rs. 30 Per share	-	1,590
Final cash dividend @ Rs. 40 Per share	2,119	-
Un-appropriated carried forward	13,170	11,221
Earning Per Share (Rupees)	77.75	61.41

PERFORMANCE OVERVIEW

Highnoon with its market share of 2.55% and achieving a four-year CAGR of 21.52%, significantly outperformed the industry average growth of 17.50%, as reported by IQVIA's MAT December 2025. This performance reflects the Company's strong brand equity, effective portfolio strategy, and deep penetration across key therapeutic segments.

Net sales recorded robust growth of 11.18%, primarily driven by an optimal product mix, volume expansion, and selective price rationalization. Furthermore, a regulatory shift by the Drug Regulatory Authority of Pakistan (DRAP), allowing enhanced pricing flexibility for non-essential medicines, provided timely relief to the industry. Highnoon effectively leveraged this development through its diversified portfolio and data-driven pricing strategies, further strengthening its competitive positioning in the market.

As a result of disciplined cost management and strategic execution, gross margins improved from 51% to 55%, representing an 18.42% year-on-year increase. Operating expenses increased broadly in line with inflationary pressures and planned investments in new business segments; however, these investments are expected to generate sustainable returns over the medium to long term.

Despite persistent challenges facing the pharmaceutical sector, including cost volatility and regulatory constraints, Highnoon successfully mobilized operational efficiencies, strengthened supply chain resilience, and maintained strong market intelligence capabilities. This enabled the Company not only to sustain growth but to significantly enhance profitability, achieving a profit-to-sales ratio of 15.97% and delivering a 26.61% increase in profit after tax compared to the previous year.

Highnoon continues to embody its long-standing philosophy of "aiming high and, having achieved, aiming higher." Performance is continuously monitored through a structured framework incorporating peer benchmarking, therapeutic segment analysis, industry growth trends, and the impact of regulatory developments. Strategic targets are regularly reviewed, enabling timely corrective measures and ensuring sustained alignment with the Company's long-term growth objectives and shareholder value creation.

RECOGNITIONS

For the third consecutive year, Highnoon was honoured to receive the Pharma Export Award in recognition of its significant contribution to strengthening Pakistan's pharmaceutical exports on the global stage; the Highnoon Vision Award, presented posthumously to Late Jawaid Tariq Khan in tribute to his visionary leadership and unwavering commitment to innovation and enriching lives through better healthcare; and the Platinum Sponsorship Award, conferred upon Highnoon as the principal sponsor of this landmark industry event.

Highnoon continued to demonstrate strong market leadership and operational resilience during the year. The Company received the Corporate Excellence Award by MAP, reaffirming its commitment to superior corporate governance, transparency, and sustainable business practices.

EARNINGS PER SHARE:

Based on audited financial statements, Basic Earnings per Share for the year ended December 31, 2025 is Rs. 77.75 (2024: Rs. 61.41).

DIVIDEND ANNOUNCEMENT:

The Board is pleased to announce a final cash dividend of 500% (2024: 400%) i.e. Rs. 50 per share (2024: Rs. 40 per share) for the financial year ended December 31, 2025, subject to the approval by the shareholders at the Annual General Meeting to be held on April 30, 2026.

CONTRIBUTION TO NATIONAL EXCHQUERS

The Company has contributed Rs. 3,236 million (2024: Rs. 2,401 million) to the Government on account of various government levies including taxes, custom duties, WPPF, CRF, EOBI, Social Securities, and donations.

CORPORATE SOCIAL RESPONSIBILITY

Highnoon remains firmly committed to sustainable growth and responsible business conduct, with a clear focus on delivering a meaningful and lasting impact on society and the broader healthcare ecosystem. The Company's CSR framework is centered on expanding access to quality healthcare, advancing community well-being, and upholding the highest standards of ethics, transparency, and integrity.

In addition to ensuring the availability of essential medicines and promoting public health awareness particularly in underserved communities Highnoon

places significant emphasis on its human capital. The Company fosters an inclusive, safe, and performance-driven work environment that supports professional development and empowers employees to excel. Through the integration of strong corporate governance practices and environmental stewardship, Highnoon continues to create sustainable, long-term value for its stakeholders while contributing to the country's socio-economic advancement.

As part of its ongoing commitment to community engagement, Highnoon formalised a strategic collaboration with LUMS through the signing of a Memorandum of Understanding (MoU) for the development of a futsal court, promoting health, fitness, and community well-being.

Furthermore, the Company actively contributes to social welfare through charitable donations and financial assistance to reputable organizations, including SOS Children's Villages, The Citizens Foundation, Fatimid Foundation, and the Pakistan Red Crescent Society.

RELATED PARTY TRANSACTIONS

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in Note 48 to the standalone financial statements on pages 242 to 244 of the Annual Report.

AUDITORS

BDO Ebrahim & Co. Chartered Accountants have audited the Financial Statements of the Company for the year ended December 31, 2025.

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 2026 and has recommended to the Shareholders for approval at the Annual General Meeting. This decision aligns with the Company's dedication to uphold the highest standards of governance. Continuity with the prior year's auditors is expected to further strengthen auditing practices, internal governance, and risk management procedures.

COMPOSITION OF BOARD OF DIRECTORS, ITS COMMITTEES & MEETINGS

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

The attendance of members at the meetings is

summarized below:

Sr. No.	Member	No. of BOD Meetings Attended
1	Tariq Wajid	3
2	Dr. Adeel Abbas Haideri	6
3	Tausif Ahmad Khan	5
4	Taufiq Ahmed Khan	6
5	Tauqir Ahmed Khan	6
6	Tehmina Saeed Chaudhary	6
7	Dr. Aman Ullah Khan	5
8	Romesh Alexander Iddomalgada Elapata	1

*During the year Dr. Aman Ullah Khan was appointed as director in place of the outgoing director Mr. Romesh Alexander Iddomalgada Elapata.

Leave of absence was granted to members who were unable to attend the Board meetings.

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 the preparation of financial statements and any departure therefrom 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.
- The Directors 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 the 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	Dr. Aman Ullah Khan	Purchase	100
2	Dr. Aman Ullah Khan	Purchase	400

PATTERN OF SHAREHOLDING

The pattern of shareholding and categories of shareholders as of December 31, 2025, as required under the Pakistan Stock Exchange Regulations, have been annexed herewith.

CODE OF CONDUCT

The pattern of shareholding and categories of shareholders as of December 31, 2025, as required under the Pakistan Stock Exchange Regulations, have been annexed herewith.

CREDIT RATINGS

On April 02, 2026, Highnoon was assigned a long-term rating of A+ and a short-term rating of A1. These ratings reflect the Company's robust business profile, underpinned by a diversified product portfolio and minimal credit risk due to its strong capacity for timely discharge of financial obligations.

STATEMENT AS THE VALUE OF INVESTMENT OF PROVIDENT FUND

The value of the investments of the provident fund is Rs. 695.64 million of Highnoon Laboratories Limited Employees Provident Fund as at December 31, 2025.

INTERNAL AUDIT

The Internal Audit function is effectively operating within the framework set out in the Code of Corporate Governance and the Charter defined by the Audit Committee of the Board of Directors, to provide an independent and objective evaluation of 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 action. The function effectively utilizes risk control matrices, prioritizing and developing the annual plan and strengthening internal controls through periodic reviews of all functions and 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, currently being implemented. Further, Internal Audit ensures the implementation of the Enterprise Risk Management (ERM) Framework as per the COSO standard, 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 that directors shoulder.

The remuneration of the Executive Director is approved by the Board. However, in accordance with the Code of Corporate Governance, it is ensured that directors don't take part in deciding their own remuneration.

- To maintain 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.
- Remuneration shall not be set at a level that could be perceived to compromise independence.
- The Board shall give due consideration to the recommendation of the HR & Remuneration Committee.
- Directors shall participate in a part of the meeting in which their 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. 43 of the annexed standalone financial statements, with reference to page 224 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 of skills, experience, diversity, and perspectives. The size and composition of the Board is adequate to govern the Board's 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 guidance to the management
- Efficiency of board meetings and decision-making process
- Regular follow-up to measure the impact of Board decisions.
- Communication between the Board and 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 and CEO effectiveness
- Risk Mitigation

INVESTOR GRIEVANCE

The Company continuously engages with its investors and responds to their queries, concerns, and grievances. The Shares Registrar is responsible for addressing investor grievances.

SUSTAINABILITY REPORTING

For the year, the Company published its inaugural Sustainability Report, reinforcing its commitment to integrating environmental, social, and governance (ESG) considerations into its strategy and operations. A Board-level Sustainability Committee was established in early 2025 to provide strategic oversight. The report is prepared in line with SECP guidelines and aligned with IFRS S1 and IFRS S2 frameworks. This initiative reflects the Company's focus on sustainable growth and long-term stakeholder value creation.

DIVERSITY, EQUITY & INCLUSION VISION STATEMENT

The Company is committed to fostering a culture where diversity, equity, and inclusion are fundamental to its values and business practices. The Company is dedicated to creating an environment that respects and leverages differences, embraces varied perspectives, and promotes equal opportunities for all employees. Through ongoing initiatives and inclusive policies, the Company aims to

strengthen its organizational culture, empower its people, and contribute positively to the communities it serves.

HEALTH SAFETY & ENVIRONMENT

The Company remains fully committed to its responsibility as an environmentally conscious and socially responsible corporate citizen. During the year, HSE performance across all business segments remained excellent. The strong dedication of the plant teams enabled full compliance with established HSE standards. Comprehensive monitoring and rigorous self-auditing frameworks remained a key focus, supported by both internal and external audits. Key initiatives included Management Safety Audits, Emergency Response Programmes, Plant Reliability Enhancement, Occupational Health and Industrial Hygiene assessments, as well as Customized Housekeeping Audits, all contributing to a robust HSE culture.

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.

INDUSTRY REVIEW AND FUTURE OUTLOOK

Pakistan's macroeconomic outlook reflects cautious optimism, supported by continued fiscal consolidation and strengthening external sector indicators. While regulatory complexity remains an inherent structural challenge, Highnoon is well positioned to sustain long-term growth through operational excellence, strategic diversification, and disciplined execution.

The Company remains firmly committed to delivering sustainable profitability while contributing meaningfully to the advancement of Pakistan's healthcare sector.

Over the past decade, Highnoon has achieved a strong CAGR of approximately 23%, significantly surpassing the industry's average export growth of around 9.7%. This performance underscores the Company's superior execution capabilities and the effectiveness of its international market penetration strategy.

Highnoon's export footprint spans a diversified range of markets, including the UAE, France, Kenya, Iraq, Cambodia, Tanzania, Sudan, Azerbaijan, Kyrgyzstan, and Ghana, among other regional territories. This expanding geographic diversification not only mitigates reliance on the domestic market but also positions the Company to capitalize on the growing demand for high-quality generics across emerging and frontier economies.

ACKNOWLEDGMENT

The Board extends its sincere appreciation to Highnoon's employees for their dedication, professionalism, and resilience. The Board also thanks its shareholders, customers, partners, and government institutions for their continued trust and support.

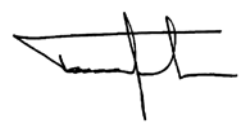
AUTHORIZATION

The Board, in compliance with the requirements of Section 227(5) of the 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
6th April 2026

PATTERN OF SHAREHOLDING

As at 31st December 2025

Serial No.	No. of Shareholders	-----Shareholdings-----		Total Shares Held
		From	To	
1	2558	1	100	69,865
2	1460	101	500	360,644
3	504	501	1,000	371,477
4	754	1,001	5,000	1,731,775
5	98	5,001	10,000	714,125
6	36	10,001	15,000	444,636
7	25	15,001	20,000	452,466
8	18	20,001	25,000	409,179
9	12	25,001	30,000	337,852
10	7	30,001	35,000	224,858
11	4	35,001	40,000	154,564
12	4	40,001	45,000	172,534
13	1	45,001	50,000	48,175
14	4	50,001	55,000	206,872
15	4	55,001	60,000	227,246
16	1	60,001	65,000	62,920
17	1	65,001	70,000	69,487
18	4	70,001	75,000	293,869
19	1	75,001	80,000	78,278
20	4	80,001	85,000	328,349
21	2	85,001	90,000	175,847
22	3	95,001	100,000	293,065
23	1	100,001	105,000	101,834
24	1	105,001	110,000	107,050
25	1	110,001	115,000	113,821
26	2	115,001	120,000	232,605
27	2	120,001	125,000	244,327
28	1	125,001	130,000	128,000
29	2	135,001	140,000	277,069
30	2	145,001	150,000	297,205
31	1	155,001	160,000	160,000
32	1	165,001	170,000	165,894
33	1	170,001	175,000	174,083
34	1	175,001	180,000	176,222
35	1	190,001	195,000	190,468
36	1	210,001	215,000	213,550
37	1	215,001	220,000	219,771
38	1	220,001	225,000	224,784
39	1	235,001	240,000	238,079
40	2	245,001	250,000	494,875
41	1	250,001	255,000	250,176
42	1	255,001	260,000	257,099
43	1	285,001	290,000	287,850
44	2	295,001	300,000	598,785
45	1	385,001	390,000	388,485
46	2	390,001	395,000	786,571
47	1	410,001	415,000	410,820
48	1	420,001	425,000	422,191
49	1	425,001	430,000	428,809
50	1	470,001	475,000	474,773
51	1	480,001	485,000	480,568

Serial No.	No. of Shareholders	-----Shareholdings-----		Total Shares Held
		From	To	
52	1	490,001	495,000	493,729
53	1	495,001	500,000	495,229
54	1	535,001	540,000	540,000
55	1	555,001	560,000	556,331
56	1	565,001	570,000	569,500
57	1	770,001	775,000	774,542
58	1	825,001	830,000	827,163
59	1	1,110,001	1,115,000	1,110,346
60	1	1,480,001	1,485,000	1,483,092
61	1	1,880,001	1,885,000	1,884,907
62	1	2,315,001	2,320,000	2,318,940
63	1	2,860,001	2,865,000	2,861,953
64	1	3,675,001	3,680,000	3,678,394
65	1	3,955,001	3,960,000	3,959,560
66	1	4,415,001	4,420,000	4,416,242
67	1	4,980,001	4,985,000	4,984,500
68	1	6,255,001	6,260,000	6,255,088
TOTAL	5558			52,983,363

Categories of shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	17,805,744	33.6063%
Associated Companies, undertakings and related parties. (Parent Company)	4,983,393	9.4056%
NIT and ICP	556,878	1.0510%
Banks Development Financial Institutions, Non Banking Financial Institutions.	1,357,126	2.5614%
Insurance Companies	3,617,581	6.8278%
Modarabas and Mutual Funds	2,831,459	5.3441%
Shareholders holding 10% or more	6,269,314	11.8326%
General Public		
a. Local	15,473,609	29.2047%
b. Foreign	949,567	1.7922%
Others (to be specified)		
- Government Holding	577,032	1.0891%
- Joint Stock Companies	2,871,743	5.4201%
- Pension Funds	500,378	0.9444%
- Foreign Companies	1,112,353	2.0994%
- Others	346,500	0.6540%

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	Highnoon Laboratories Limited Staff Provident Fund (CDC)	213,550	0.4031%
4	Highnoon Employees Welfare Trust (CDC)	115,522	0.2180%

Mutual Funds (Name Wise Detail)

1	CDC - Trustee Abl Stock Fund (CDC)	19,700	0.0372%
2	CDC - Trustee Akd Index Tracker Fund (CDC)	7,687	0.0145%
3	CDC - Trustee Al Meezan Mutual Fund (CDC)	257,099	0.4852%
4	CDC - Trustee Al-Ameen Islamic Asset Allocation Fund (CDC)	11,990	0.0226%
5	CDC - Trustee Al-Ameen Shariah Stock Fund (CDC)	480,568	0.9070%
6	CDC - Trustee Alfalah Ghp Alpha Fund (CDC)	37,787	0.0713%
7	CDC - Trustee Alfalah Ghp Dedicated Equity Fund (CDC)	4,400	0.0083%
8	CDC - Trustee Alfalah Ghp Islamic Dedicated Equity Fund (CDC)	634	0.0012%
9	CDC - Trustee Alfalah Ghp Stock Fund (CDC)	113,821	0.2148%
10	CDC - Trustee Alfalah Ghp Value Fund (CDC)	3,800	0.0072%
11	CDC - Trustee Apf-Equity Sub Fund (CDC)	22,699	0.0428%
12	CDC - Trustee Apif - Equity Sub Fund (CDC)	22,102	0.0417%
13	CDC - Trustee Atlas Islamic Dedicated Stock Fund (CDC)	10,430	0.0197%
14	CDC - Trustee Atlas Islamic Stock Fund (CDC)	147,205	0.2778%
15	CDC - Trustee Atlas Stock Market Fund (CDC)	391,571	0.7390%
16	CDC - Trustee Awt Islamic Asset Allocation Fund (CDC)	2,736	0.0052%
17	CDC - Trustee Awt Islamic Stock Fund (CDC)	27,073	0.0511%
18	CDC - Trustee Faysal Islamic Dedicated Equity Fund (CDC)	250	0.0005%
19	CDC - Trustee Faysal Islamic Stock Fund (CDC)	13,536	0.0255%
20	CDC - Trustee Faysal Stock Fund (CDC)	1,462	0.0028%
21	CDC - Trustee Hbl - Stock Fund (CDC)	6,800	0.0128%
22	CDC - Trustee Hbl Investment Fund (CDC)	4,500	0.0085%
23	CDC - Trustee Hbl Ipf Equity Sub Fund (CDC)	4,166	0.0079%
24	CDC - Trustee Hbl Islamic Asset Allocation Fund (CDC)	4,095	0.0077%
25	CDC - Trustee Hbl Multi - Asset Fund (CDC)	680	0.0013%
26	CDC - Trustee Hbl Pf Equity Sub Fund (CDC)	2,900	0.0055%
27	CDC - Trustee JS Large Cap. Fund (CDC)	44,554	0.0841%
28	CDC - Trustee Lakson Equity Fund (CDC)	928	0.0018%
29	CDC - Trustee Mahaana Islamic Index Excnaged Traded Fund (CDC)	5,162	0.0097%
30	CDC - Trustee Mcb Pakistan Stock Market Fund (CDC)	99,432	0.1877%
31	CDC - Trustee Meezan Asset Allocation Fund (CDC)	4,403	0.0083%
32	CDC - Trustee Meezan Balanced Fund (CDC)	24,950	0.0471%
33	CDC - Trustee Meezan Islamic Fund (CDC)	224,784	0.4243%
34	CDC - Trustee Ubl Asset Allocation Fund (CDC)	50,400	0.0951%

Mutual Funds (Name Wise Detail)

35	CDC - Trustee Ubl Retirement Savings Fund - Equity Sub Fund (CDC)	96,414	0.1820%
36	CDC - Trustee Ubl Stock Advantage Fund (CDC)	495,229	0.9347%
37	CDC - Trustee Unit Trust Of Pakistan (CDC)	28,850	0.0545%
38	CDC - Trustee - Meezan Dedicated Equity Fund (CDC)	4,820	0.0091%
39	CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund (CDC)	83,948	0.1584%
40	CDC - Trustee Hbl Islamic Stock Fund (CDC)	10,276	0.0194%
41	MC FSL - Trustee Js Growth Fund (CDC)	57,502	0.1085%

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	Taufiq Ahmed Khan (CDC)	5,230,533	9.8720%
4	Tauqir Ahmed Khan	6,269,314	11.8326%
5	Tehmina Saeed Chaudhury (CDC)	23,495	0.0443%
6	Dr. Aman Ullah Khan (CDC)	500	0.0009%
7	Tariq Wajid (CDC)	126	0.0002%
8	Zainub Abbas W/O Tausif Ahmad Khan (CDC)	2,318,940	4.3767%

Executives	-	-
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Public Sector Companies & Corporations:	-	-
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Banks, Development Finance Institutions, Non Banking Finance	5,475,201	10.3338%
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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	Taufiq 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%

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company**Secretary and their spouses and minor children:**

S. No.	Name	Sale	Purchase
1	Dr. Aman Ullah Khan	-	100
2	Dr. Aman Ullah Khan	-	400

SHARE PRICE SENSITIVITY ANALYSIS

The shares of Highnoon Laboratories Limited ("the Company") are listed and actively traded on the Pakistan Stock Exchange (PSX). As of 31st December, 2025, the Company's market capitalization stood at approximately Rs. 54.15 billion, reflecting the prevailing market price and the total number of outstanding shares. The Company's free float represents 40% of its issued Share capital.

The Company is committed to uphold the highest standards of transparency and regulatory compliance. In accordance with the provisions of the PSX Rule Book, all price-sensitive information is promptly communicated to the PSX, ensuring that investors have timely access to material information that may affect their investment decisions.

The Company's share price may be influenced by the following key factors:

Financial Performance

Growth in revenue, profitability, and earnings announcements can significantly impact investor confidence and market valuation.

Pharmaceutical Sector Developments

Regulatory changes, drug pricing policies, approvals of new medicines, and overall healthcare industry trends may influence the Company's valuation.

Macroeconomic

Inflation, GDP growth, interest rates, exchange rate movements, and fiscal policies can shape investor sentiment.

Investor Perception and Market Sentiment

Changes in investor confidence and perception of the Company's performance and announcements can impact share price fluctuations.

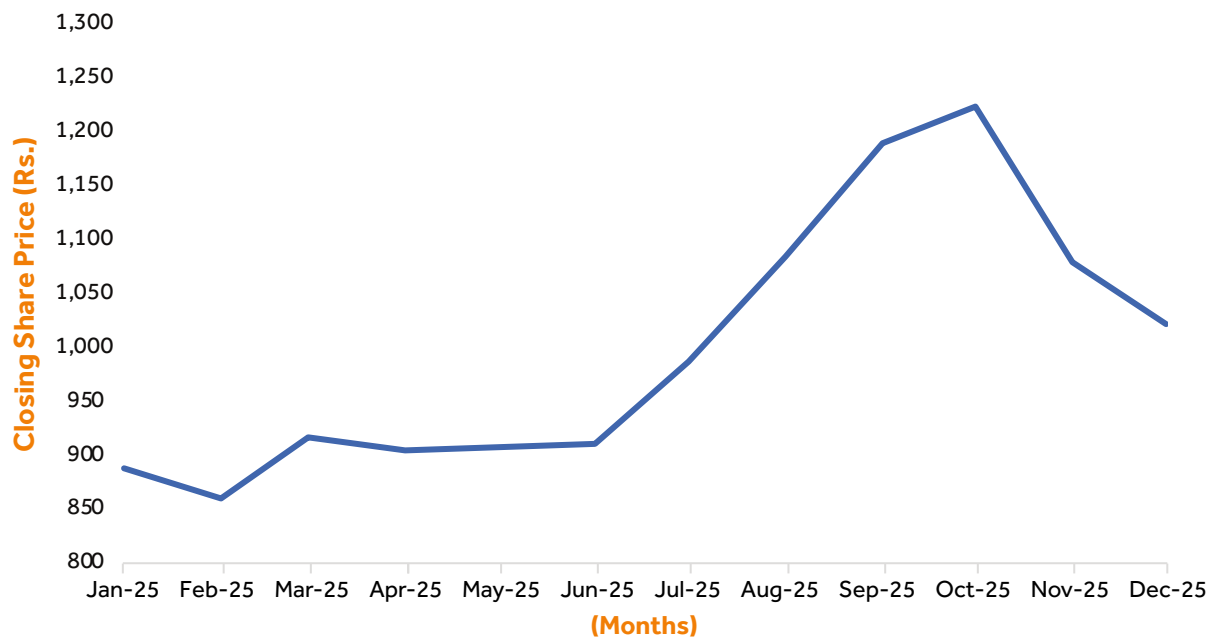
Capital Market Trends

Overall performance of the Pakistan Stock Exchange (PSX) and movements in the benchmark indices may affect share prices.

Dividend Policy and Corporate Announcements

Cash dividends, bonus issues, rights issues, and other corporate actions may impact the demand and supply of shares.

Highnoon Laboratories Limited - Share Price Sensitivity Analysis



The Company's share price exhibited strong performance during 2025, reaching a peak of Rs. 1,224/- and achieving an overall growth of approximately 38% over the year. This upward trend underscores continued investor confidence in the Company's strategic direction, operational resilience, and robust market positioning.

The upward trend observed during the first three quarters reflects the effectiveness of the Company's growth initiatives and expansion of its product portfolio. Although the latter part of the year saw a moderate market correction, the share price remained well above the opening levels, underscoring continued confidence from shareholders.

Looking ahead, the Company is well-positioned to capitalize on emerging market opportunities, sustain strong financial performance, and create long-term shareholder value, thereby reinforcing investor confidence.



Sustainability Report

Message to Stakeholders

Dear Stakeholders,

For more than four decades, Highnoon Laboratories Limited has been guided by a clear purpose: to improve the health and well-being of patients by delivering safe, effective, and accessible medicines. This purpose continues to shape how we innovate, operate, and grow as a responsible healthcare organisation.

The Board and Management are pleased to present Highnoon's first Sustainability Report, an important milestone in strengthening transparency and accountability across our environmental, social, and governance practices.

During the year, we strengthened the integration of sustainability considerations into our enterprise risk management and strategic planning, including climate-related assessments to better understand potential long-term impacts on our operations and supply chains.

Highnoon's sustainability strategy focuses on four key priorities: climate-resilient and automated manufacturing operations, a sustainable and reliable supply chain, workforce, employee safety and talent continuity, and data security and privacy. While this report marks the beginning of our formal sustainability journey, the values it reflects have long been part of Highnoon's culture.

We thank our employees, healthcare professionals, regulators, partners, suppliers, and shareholders for their continued trust and support.

Together, we remain committed to advancing healthcare, strengthening resilience, and enriching life.

Sincerely,



Tehmina Saeed Chaudhury
Chair – Sustainability Committee



Dr. Adeel Abbas Haideri
Chief Executive Officer

1. Basis of Preparation

This Sustainability Report of Highnoon Laboratories Limited presents sustainability-related financial information for the financial year ended December 31, 2025. The report provides transparent, decision-useful information to primary users of general-purpose financial reports regarding sustainability-related risks and opportunities that could reasonably be expected to affect the Company's enterprise value.

A. Reporting Entity and Boundary

The sustainability-related financial disclosures cover the same reporting entity and reporting period as the related consolidated financial statements. The reporting entity includes the parent company "Highnoon Laboratories Limited" and its subsidiary "Curexa Health Private Limited" together referred to as ('the Group').

B. Connectivity with Financial Statements

This report is intended to be read together with the consolidated financial statements and explains, where relevant, how material sustainability-related risks and opportunities may affect financial position, financial performance and cash flows over the short, medium and long term.

C. First-time adoption of IFRS Sustainability Disclosure Standards

As this is the Group's first year of sustainability-related financial reporting, disclosures have been developed using information available at the reporting date without undue cost or effort, taking into account current systems, capabilities and data availability. In preparing this report, the Group has applied the following transition reliefs:

- Relief from the requirement to disclose comparative information in the first annual reporting period; and
- Relief from disclosing Scope 3 greenhouse gas emissions.

D. Forward-Looking Information

This report contains forward-looking statements relating to sustainability strategies, targets, and risk management initiatives. These statements are based on management's current assumptions and judgements, which are subject to measurement uncertainties that may cause actual results to differ materially from those expressed or implied. The critical judgments and significant measurement uncertainties exercised are disclosed throughout the report.

2. Governance

The Group's governance framework underpins a sustainability approach that is strategically integrated and consistently applied across all operations. Sustainability governance operates through four interconnected layers: **Board Oversight, Committee Review, Enterprise Risk Management Integration, and Operational Execution**, ensuring clear accountability from the Board to management and operational teams. This structured model embeds material considerations into strategy, capital allocation, and financial decision-making, with risks identified early and assessed against defined risk appetite thresholds alongside financial and operational exposures. By promoting transparency, regulatory compliance, and disciplined risk management, the framework strengthens organisational resilience, safeguards stakeholder interests, and supports long-term value creation.

2.1. Board Oversight

A. Accountability

The Board of Directors retains the ultimate responsibility for overseeing sustainability and climate-related risks and opportunities (SRROs) and for ensuring that these matters are appropriately integrated into the Group's strategy, major business decisions, and enterprise risk management processes. The Board exercises this oversight through the Sustainability Committee, Risk Management Committee, and Audit Committee, each operating under formally approved Terms of Reference.

B. Integration

In overseeing the Group's strategy, the Board considers material sustainability and climate-related risks and opportunities as part of annual strategic planning, capital allocation decisions, and the review of major transactions, including capital expenditures, acquisitions, divestments, and business model adjustments. Structured management reporting will support this oversight by analyzing the potential financial implications of sustainability and climate-related risks and opportunities on projected cash flows, cost of capital and long-term asset resilience, ensuring that sustainability considerations are fully integrated into strategic and financial decision-making.

Through structured reporting from management and its committees, the Board intends to evaluate how identified SRROs may affect enterprise value creation, cash flows, access to finance, cost of capital, business continuity, and long-term competitiveness. Where relevant, the Board also intends to consider trade-offs between short-term financial performance and long-term sustainability objectives, including climate transition requirements, resilience planning, regulatory compliance, and stakeholder expectations.

C. Monitoring

The Sustainability Committee supports the Board by reviewing material sustainability and climate-related risks and opportunities, related strategic responses, and progress against management action plans. It provides annual or semi-annual updates to the Board on risk exposures, implementation progress and emerging developments with potential implications for the Group's strategic direction.

The Risk Management Committee has also been established to support the Board in overseeing how sustainability-related exposures are incorporated within the ERM framework, risk taxonomy and risk appetite structure.

2.2. Target Setting and Performance Monitoring

The Board oversees the establishment of sustainability and climate-related targets and the monitoring of progress against those targets. Through the Sustainability Committee, the Board reviews management's proposals for sustainability and climate-related objectives, ensuring that such targets are aligned with the Group's strategic priorities, enterprise risk profile, and long-term value creation objectives.

Sustainability and climate-related targets are developed by management based on identified material sustainability-related risks and opportunities (SRROs), including climate-related transition and physical risks.

In the initial phase, the Group's focus is on establishing practical and achievable targets that are operationally embedded and supported by reliable data collection mechanisms. These targets form the basis for defining measurable Key Performance Indicators (KPIs), which are monitored through structured reporting to the Sustainability Committee on an annual/half-yearly basis.

2.3. Management's Role in Oversight

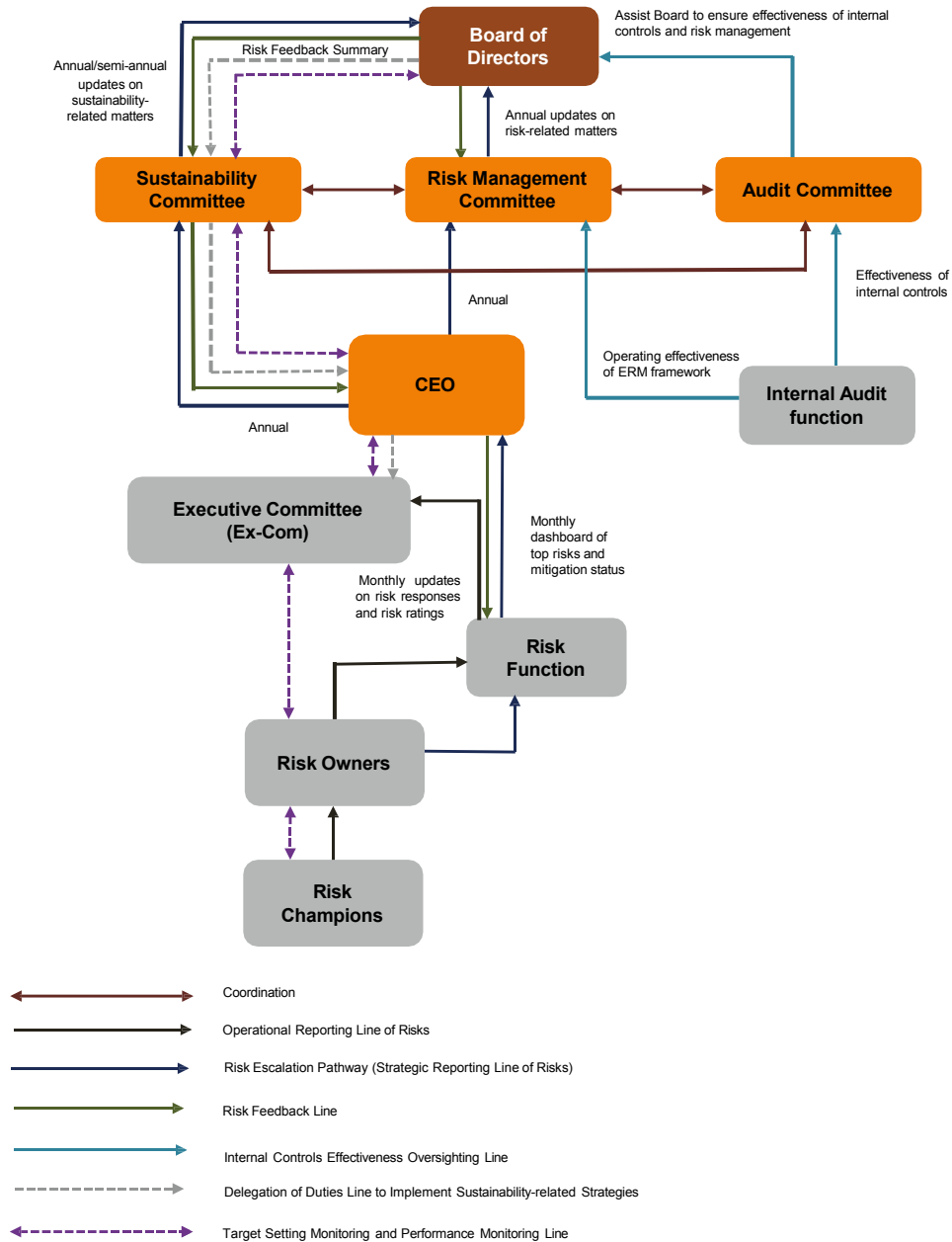
Management plays a central role in the identification, assessment, management and reporting of sustainability and climate-related risks and opportunities. Execution responsibility is delegated to the Chief Executive Officer (CEO) and the Executive Committee (Ex-Com), including the Chief Financial Officer (CFO), and relevant functional heads, under the oversight of the Board and its committees. The CEO provides leadership on sustainability strategy implementation and ensures integration of sustainability objectives into operational planning, budgeting and resource allocation. The Risk Function coordinates enterprise-wide identification, assessment and reporting of material sustainability and climate-related exposures, while designated risk owners are responsible for implementation of mitigation measures.

Management uses structured controls and procedures embedded within the ERM Framework to support oversight of sustainability and climate-related risks. The Risk Function prepares consolidated risk reports summarising key risk exposures, mitigation effectiveness, and emerging issues for review by the Sustainability Committee. These reports are also intended to support oversight by the Risk Management Committee. Feedback and guidance from the Board and its committees are communicated to management and relevant risk owners, supporting accountability and continuous improvement.

The Audit Committee, supported by the Internal Audit function, provides independent oversight of the effectiveness of internal controls, assurance processes and governance arrangements relevant to sustainability reporting and risk management.

Through this integrated governance structure, the Group ensures that sustainability and climate-related risks and opportunities are systematically identified, embedded within strategy and risk management processes, monitored through defined controls, and overseen at both Board and management levels.

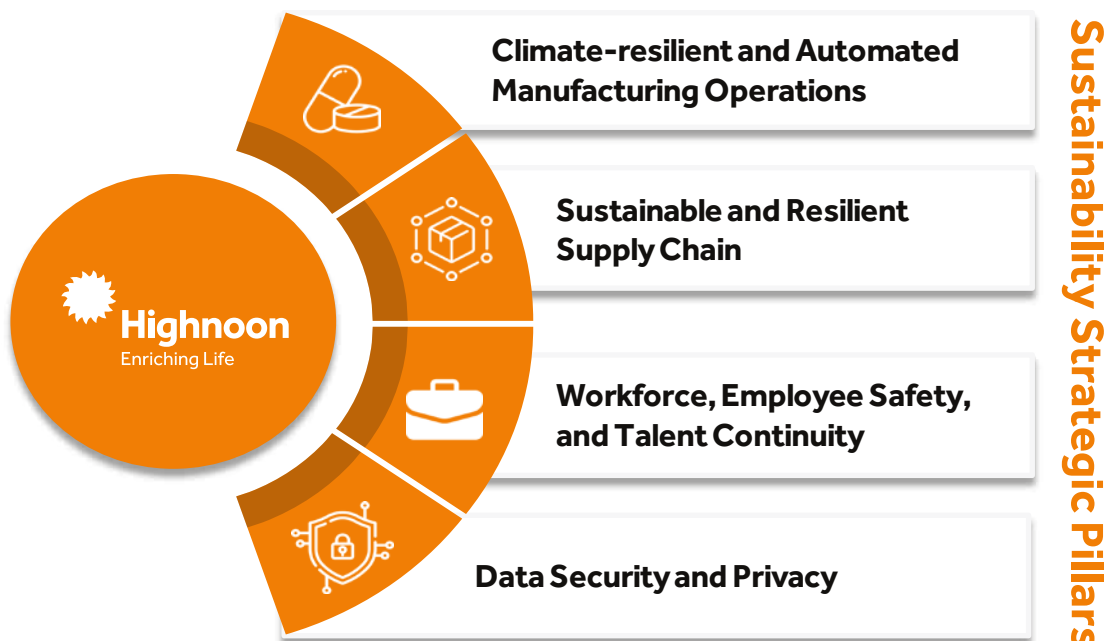
2.4. Oversight Mechanism



3. Strategy

The Group recognises that sustainability-related risks and opportunities can affect its enterprise value, financial performance, operational resilience, and long-term competitiveness. It assesses how these factors influence the business model, strategic planning, and resource allocation to manage their impact over the short, medium, and long term. The Group's business model depends on reliable access to financial resources, manufacturing infrastructure, a skilled workforce, technology, and trusted value chain relationships. Sustainability-related factors can affect these resources directly or indirectly, influencing the Group's capacity to maintain operational continuity, strengthen market competitiveness, and generate stakeholder value.

Aligned with its corporate strategy, the Group integrates sustainability considerations into strategic planning, operational decision-making, and capital allocation processes. This integration supports the resilience of the Group's business model and the resilience of the Group's business model and strategy against the sustainability-related risks and opportunities (SRROs) that could affect the enterprise value. Through materiality assessment, the Group has identified material sustainability risks and opportunities and defined four strategic priorities to guide resource allocation and operational responses to material SRROs. The strategic priorities are:



3.1. Time Horizon Framework

Highnoon Laboratories Limited defines its time horizons for assessing sustainability and climate-related risks and opportunities in alignment with its strategic planning cycles, capital allocation framework, asset lifecycles, and regulatory environment. The selected horizons are designed to ensure that sustainability-related matters are evaluated over periods consistent with financial planning, enterprise risk management, and investment decision-making processes.

The Group applies the following differentiated short, medium, and long-term horizons to assess when sustainability and climate-related risks and opportunities could reasonably be expected to affect its financial position, financial performance, and cash flows.

Time Horizon	Strategic and Financial Relevance
Short-term (1-2 years)	This horizon aligns with Highnoon's annual budgeting cycle, quarterly rolling forecasts, and statutory reporting requirements under SECP and PSX, and the Company's product development and regulatory approval cycle. During this period, sustainability and climate-related risks and opportunities are evaluated for their potential effects on revenue stability, operating margins, liquidity management, working capital cycles, and regulatory compliance. As investors, regulators, and creditors primarily assess performance on a quarterly and annual basis, sustainability-related factors that could reasonably be expected to influence profitability, liquidity, dividend-paying capacity, and compliance obligations are incorporated into existing financial planning and risk management processes, as they may affect near-term financial performance, investor confidence, and access to financing.
Medium-term (3-5 years)	This horizon aligns with Highnoon's three-to-five-year strategic roadmap and capital budgeting cycle, during which initiatives such as portfolio expansion, geographic growth, operational improvements, and targeted capital investments, including IT systems, automation upgrades, and operational assets, are implemented. Within this period, sustainability and climate-related risks and opportunities are evaluated for their potential influence on competitive positioning, cost structures, regulatory compliance, and capital allocation decisions. As stakeholders typically assess performance over this timeframe using indicators such as market share growth, revenue CAGR, ROCE, EPS, and debt management, sustainability-related factors that could reasonably be expected to influence these metrics are incorporated into strategic planning, capital allocation reviews, and enterprise risk management processes.
Long-term (6-10 years)	This horizon aligns with the economic life of Highnoon's core manufacturing assets, including buildings, production machinery, and supporting utilities, which are typically depreciated over approximately ten years, and with the Board's evaluation horizon for major capital investments such as plant expansions, capacity enhancements, and infrastructure upgrades. Over this period, sustainability and climate-related considerations focus on structural resilience and long-term asset durability, including how evolving regulatory environments, market expectations, and environmental conditions may influence asset viability, reinvestment timing, capital allocation priorities, and financing strategies. This timeframe therefore captures the potential for sustainability-related factors to affect asset replacement cycles, export market competitiveness, regulatory standing, long-term insurance coverage, and cost of capital, which may ultimately influence enterprise value preservation and long-term competitive positioning.

4. Our Risks and Opportunities

Highnoon Group conducts a structured materiality assessment to identify sustainability and climate-related risks and opportunities that could affect its business model, value chain, corporate strategy, and future prospects. In alignment with the Enterprise Risk Management (ERM) framework, a comprehensive SRROs identification exercise was undertaken, resulting in 58 initially identified risks and opportunities. Following a structured evaluation of their potential impact and likelihood, 12 risks and 2 opportunities were prioritised as material sustainability-related risks and opportunities.

A. Material Sustainability-related Risks and their Strategic Relevance

The key sustainability-related risks that may materially impact the Group's ability to execute its strategy, maintain the resilience of its business model, and create long-term stakeholder value, together with their corresponding strategic responses and key performance and risk indicators, are outlined below:

Prioritized SRROs	Strategic Response	Key Performance Indicators / Risk Indicator
Increase in Temperature and Humidity	HVAC Upgrades, Roof Boxing, Real-time monitoring	Energy Consumption (MWh)
Smog and Air Pollution	HEPA filtration systems, Emissions testing, Air quality monitoring	SO ₂ and NO _x in Asia (Million Tons) Number of air-quality compliance incidents
Flooding	Drainage assessments, Flood barriers, Rainfall monitoring, Business continuity planning	Precipitation in Punjab (mm/day)
Water Stress	RO purification systems, Water extraction monitoring, Treatment infrastructure maintenance, Water consumption monitoring	Water Withdrawn (Megaliters) Water Consumption (Megaliters)
Carbon Tax	Energy-efficient machinery, Energy analyzer system, Energy monitoring, Renewable energy	GHG Emissions (tCO ₂ e)
Dependency on few suppliers for APIs	Supplier diversification, Safety stock management, Supplier risk assessments, Alternate supplier qualification	Critical inputs with alternates suppliers (%)
Shift to Renewable Energy	Solar capacity expansion, Renewable energy integration, Energy efficiency improvements, Energy monitoring	Percentage of energy usage from renewable source (%)
Power Outage	Backup generator capacity, Grid load expansion, Solar integration, Preventive maintenance	Energy Consumption by Source (Giga Joules)
Effluent Discharges	Wastewater treatment, Routine monitoring, ETP upgrade	Water Discharged (Megaliters)
Employee Health and Safety	PPE usage, Safety training, Fire alarms, Hazard monitoring	Injury Rate (per 200,000 hours worked)
Talent and Workforce Management	Talent management framework, Succession planning, Employee development programs, Salary benchmarking	Retention Rate Employee Engagement
Cybersecurity and Data Privacy	Firewall implementation, SOC monitoring, ERP modernization, Cybersecurity training	Number of Cybersecurity incidents Training Hours



Sustainability Related Risks

4.1. Increase in Temperature and Humidity

A. Risk Description:

Rising ambient temperatures and humidity associated with climate variability represent a chronic physical climate risk that may increase operational stress on temperature-controlled infrastructure and supporting pharmaceutical manufacturing and distribution systems.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Climate-related Physical Risk (Chronic)	Long-term	Upstream Supply Chain: Temperature-controlled transportation of raw materials Own Operations: Production areas, warehousing, HVAC systems Downstream Distribution: Cold-chain distribution of pharmaceutical products.

B. Current Effects

During FY2025, no material operational disruptions or product integrity issues were observed as a result of temperature or humidity variability across transportation,

manufacturing, warehousing, or distribution activities. However, maintaining controlled environmental conditions required for pharmaceutical production and storage operations necessitated ongoing capital investment and operational expenditure for monitoring, maintenance and energy consumption, as reflected in the operating and investing activities in Statement of cashflows.

	As at 31 Dec, 2025	For the year ended 31 Dec, 2025
Increase in temperature and humidity	Balance Sheet	Income Statement
	Property Plant and Equipment	Costs and Expenses
HVAC (Note 7)	30,700,000	1,751,765
AHU (Note 7)	35,143,533	1,757,177
Dehumidifier (Note 7)	10,174,126	763,059
Roof Boxing (Note 7)	43,500,000	-
Cooling Towers (Note 7)	5,695,860	-
Cold chain monitoring cost (Note 32)	-	2,400,000
Repair & Maintenance costs of HVAC (Note 34)	-	6,390,000

Current effects of risk on business prospects

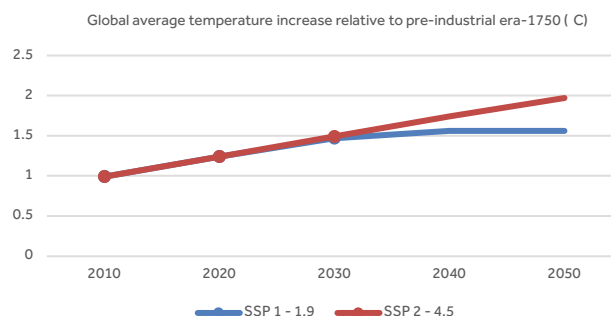
C. Anticipated Effects

Over the short to medium term, the operational impacts of this risk are expected to remain manageable. Environmental control enhancements implemented during the reporting period, along with planned short-term improvements, strengthen the Group's ability to maintain stable temperature and humidity across manufacturing, warehousing, and cold-chain distribution. These measures support continuous GMP compliance and reduce the likelihood of product quality deviations or disruptions in temperature-sensitive operations. While higher cooling demand may modestly increase electricity, maintenance, and monitoring costs, these are expected to maintain stable production and storage conditions.

Over the long term, sustained temperature and humidity increases may raise cooling demand and maintenance needs. Without adequate infrastructure, fluctuations could increase product quality deviations, or disrupt production schedules and inventory management. Continued investment in environmental control systems, facility insulation, and temperature monitoring will be essential to maintain operational resilience and product integrity under evolving climate conditions.

D. Climate Scenario Analysis

Projected temperature trends were evaluated against the Group's infrastructure to determine potential impacts on cooling demand, energy consumption, and operational monitoring requirements. The analysis indicates that rising ambient temperatures may increase the need for enhanced cooling capacity and stricter environmental controls to maintain product stability and compliance with Good Manufacturing Practice (GMP) standards. These insights have informed the identification of targeted infrastructure upgrades and the strengthening of monitoring systems to ensure operational resilience under evolving climate conditions.



Graph 1.1 – Projected global temperature pathways based on IPCC SSP Scenarios

These scenarios were used to evaluate the resilience of temperature-controlled manufacturing and distribution operations under different warming pathways

E. Adaptation Measures

The Group strengthened environmental control systems across manufacturing facilities, warehouses, and cold-chain distribution networks. During FY2025, improvements included upgrades to HVAC systems, air handling units, dehumidifiers, cooling towers, and roof insulation to reduce heat ingress. Routine preventive maintenance and continuous temperature and humidity monitoring were maintained to support GMP compliance and mitigate short to medium-term operational pressures.

Looking ahead, the Group plans further enhancements to infrastructure and monitoring to address operational stresses from evolving climate conditions. Measures include additional AHUs upgrades with an investment of Rs. 3,500,000, dehumidifiers costing Rs. 7,000,000, improved roof insulation and airflow management through roof boxing at Rs. 22,500,000, and expanded cooling tower capacity of Rs. 138,000,000, along with real-time temperature monitoring in transportation and storage. These initiatives aim to mitigate increased cooling demand, temperature fluctuations, and product quality risks, safeguarding stability and enhancing the resilience of temperature-sensitive operations.

4.2. Smog and Air Pollution

A. Risk Description:

Persistent smog and deteriorating ambient air quality pose a chronic environmental risk that can impact manufacturing operations, logistics networks, and workforce productivity, making it critical for pharmaceutical facilities to maintain controlled indoor air quality to protect product integrity and ensure compliance with regulatory standards.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Climate-related Physical Risk (Chronic)	Short to medium-term	Upstream Supply Chain: Transportation of raw materials Own Operations: HEPA Filters, Employee Health Downstream Distribution: Distribution of finished goods

B. Current Effects

During FY2025, no material disruption to manufacturing operations, distribution activities, or employee health was observed as a result of smog or ambient air pollution. Supply continuity was maintained through established inventory buffers and supply chain planning mechanisms. During the reporting period, preventive expenditures were incurred on HEPA filters and emissions testing as reflected in the investing activities in the Statement of Cash Flows.

For the year ended
31 Dec, 2025

Smog and Air Pollution	Income Statement
	Costs and Expenses
HEPA Filters (Note 34)	9,583,530
Environmental Monitoring (Note 34)	748,000

Current effects of risk on business prospects

C. Anticipated Effects

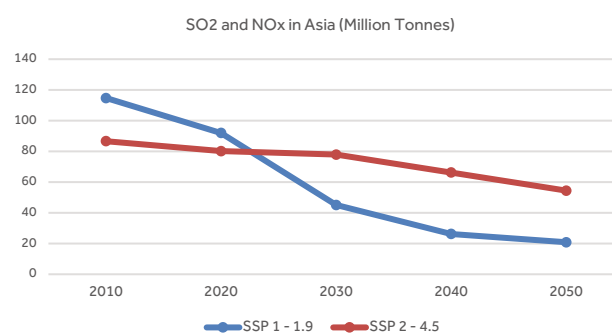
In the short to medium term, deteriorating air quality and seasonal smog may increase operational pressure on indoor air management across manufacturing and storage facilities. Higher pollution could raise reliance on filtration and monitoring systems,

leading to modest increases in costs. Existing air-filtration infrastructure and monitoring measures provide a buffer to maintain stable indoor conditions and reduce production or product quality risks.

Over the long term, regional air quality is expected to improve necessitating ongoing maintenance and periodic upgrades of filtration and monitoring systems to ensure stable indoor conditions, compliance, and uninterrupted manufacturing.

D. Climate Scenario Analysis

Regional SO₂ and NO_x emissions are expected to decline gradually over the long term due to stronger regulations, and improved industrial controls. However, in the short to medium term, emissions may remain elevated, with seasonal smog and poor air quality persisting. This can increase pressure on air-filtration, monitoring, and ventilation systems needed to maintain controlled indoor environments and protect product integrity. Consequently, compliance with environmental and occupational health standards may face short to medium-term risks, which are expected to ease as air quality improves over time.



Graph 1.2 – Projected SO₂ and NO_x emissions pathways in Asia under IPCC SSP Scenarios

E. Mitigation Measures

Based on findings from the climate scenario analysis, the Group manages smog and deteriorating air-quality risks through robust air-filtration systems, environmental monitoring, and workplace air-quality management practices across manufacturing and storage facilities. During FY2025, the Group maintained HEPA filtration systems, conducted emissions testing, and monitored indoor air quality to support stable production environments.

Looking forward, the Group plans to continue strengthening air-quality management through periodic upgrades of filtration systems, enhanced environmental monitoring, and preventive maintenance of ventilation infrastructure. These measures are designed to directly mitigate the short to medium-term operational pressures associated with elevated pollution and seasonal smog, safeguarding product quality, and enhancing operational resilience under varying environmental conditions.

4.3. Flooding

A. Risk Description:

Flooding arising from extreme rainfall events or inadequate urban drainage represents an acute physical climate risk that may disrupt site access, damage facility infrastructure, and compromise inventory storage conditions.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Climate-related Physical Risk (Acute)	Short to medium-term	Upstream Supply Chain: Transportation of raw materials Own Operations: Building, Production areas, Warehousing, Plant Utilities Downstream Distribution: Distribution of finished goods.

B. Current Effects

During FY2025, the Group did not experience any material operational or financial impacts due to flooding. Operational continuity was maintained through preventive site-level measures, including drainage assessments, temporary flood barriers at facility entry points, and real-time monitoring during periods of heavy rainfall.

C. Anticipated Effects

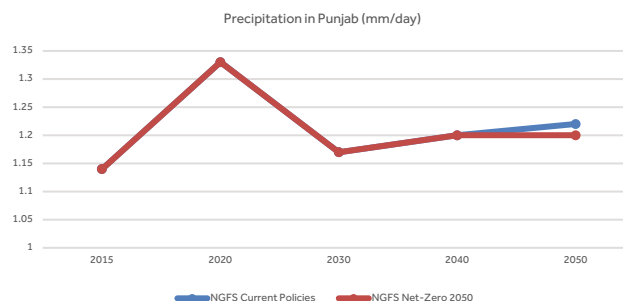
In the short to medium term, extreme rainfall or localized flooding may disrupt facility access, site utilities, and transportation for raw materials and distribution. Flooding could increase costs for drainage maintenance, infrastructure monitoring, and contingency logistics, and in severe cases may cause temporary production interruptions, equipment repairs, or inventory losses. Preventive site-level measures implemented during the reporting period help reduce water ingress, maintain safe access, and protect pharmaceutical inventory, supporting operational continuity.

Over the long term, regional precipitation patterns are expected to remain broadly stable, though localized extreme events may persist. Flooding is therefore expected to have limited structural impact, but ongoing rainfall monitoring and periodic drainage and infrastructure improvements will remain important to maintain operational stability and protect manufacturing and distribution activities.

D. Climate Scenario Analysis

Precipitation patterns are expected to remain broadly stable over the long term, though localized short-duration extreme rainfall events may continue. While large-scale flooding risks are limited, such events can create operational pressures on facility access, site drainage, and transportation networks for raw materials and distribution. Short to medium-term risks include temporary production interruptions, localized

infrastructure impacts, and contingency logistics needs. These findings inform the Group's site-level flood preparedness, including drainage management, infrastructure monitoring, and contingency planning to maintain operational continuity.



Graph 1.3 – Projected precipitation trends in Punjab under NGFS climate scenarios

E. Adaptation Measures

In response to precipitation variability and extreme rainfall risks identified in the climate scenario analysis, the Group manages flooding risks through site-level infrastructure measures, environmental monitoring, and operational preparedness. During FY2025, actions included drainage assessments, installation of temporary flood barriers at site entry points, and monitoring of rainfall during heavy precipitation, supporting safe access to facilities and reducing operational disruption. These measures aim to mitigate short- to medium-term pressures, safeguard production and inventory storage, and maintain uninterrupted operations across the value chain.

Looking ahead, the Group will continue to strengthen flood preparedness through periodic drainage maintenance, infrastructure monitoring, and contingency planning for logistics during extreme weather events.

4.4. Water Stress

A. Risk Description:

The Group's manufacturing and quality control processes rely on a consistent supply of production-grade water for formulation, equipment cleaning, and controlled manufacturing operations. Sustained groundwater stress or deterioration in source water quality represents a chronic physical climate risk that may affect the availability and treatment requirements of water used within the Group's production facilities.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Climate-related Physical Risk (Chronic)	Long-term*	Upstream Supply Chain: Procurement costs of water-dependent raw materials Own Operations: Production processes, RO plant, equipment cleaning, Product Quality management, GMP Compliance Downstream Distribution: Production Volume

*Short-medium → operational pressure

Long term → structural water scarcity

B. Current Effects

During FY2025, the Group did not experience any material operational disruption due to water stress. Stable water sourcing arrangements and existing purification infrastructure supported uninterrupted production activities across manufacturing operations. To maintain consistent production-grade water quality, the Group incurred operational expenditures related to water treatment and extraction processes. These expenditures primarily relate to the operation and maintenance of reverse osmosis (RO) purification systems and water extraction processes used to ensure that water utilized in manufacturing meets required quality standards, as reflected in operating activities in the Statement of Cash Flows.

For the year ended
31 Dec, 2025

Water Stress	Income Statement
	Costs and Expenses
RO Maintenance Cost (Note 32)	1,000,000
Water Extraction Cost (Note 32)	1,260,000

Current effects of risk on business prospects

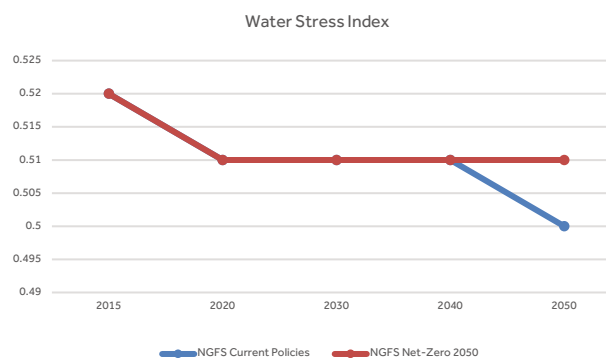
C. Anticipated Effects

Maintaining a reliable supply of production-grade water is essential for formulation, equipment cleaning, and controlled manufacturing. In the short to medium term, changes in groundwater availability and regional water stress may increase pressure on water sourcing and purification infrastructure, leading to higher operating costs for extraction, treatment, monitoring, and maintenance. Declining source water quality could require enhanced treatment, additional capacity, or increased maintenance, potentially necessitating capital investments to maintain product quality and regulatory compliance.

Over the long term, water-stress conditions are expected to remain broadly stable, though sustained demand and potential changes in source quality may require continued investment in purification, monitoring, and efficiency measures. These actions may raise capital and operating expenditures but will support operational resilience, regulatory compliance, and uninterrupted manufacturing.

D. Climate Scenario Analysis

Regional water stress is expected to remain broadly stable long term, though short to medium-term pressures from demand and source quality fluctuations may affect water sourcing, purification, and monitoring. This may increase operational and capital costs, energy use, and require additional treatment capacity, with risks moderating as water management and infrastructure improvements enhance resilience.



Graph 1.4 – Projected Water Stress Index under NGFS Climate Scenarios

E. Adaptation Measures

The Group manages water stress risks through sourcing, purification, and monitoring across manufacturing facilities. In FY2025, maintenance, water-quality monitoring, and efficiency improvements supported stable production and product quality while reducing short- to medium-term operational pressures. Looking ahead, the Group will enhance purification capacity, expand monitoring, and improve water-use efficiency to mitigate water scarcity and quality risks, ensure uninterrupted manufacturing, and maintain regulatory compliance.

4.5. Carbon Tax

A. Risk Description:

The introduction of mandatory carbon pricing mechanisms, including carbon taxes or emissions trading systems, represents a climate transition risk that may increase operating costs and compliance obligations for energy-consuming industries.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Climate-related Transition Risk (Policy & Legal)	Long-term	Upstream Supply Chain: Procurement Cost Own Operations: Production areas, Operating Costs, Stranded Assets Downstream Distribution: Customer Demand

B. Current Effects

During FY2025, the Group did not experience any material operational or financial implications arising from carbon pricing mechanisms. Currently, Pakistan has not implemented a formal nationwide carbon tax or emissions trading system applicable to the pharmaceutical sector. Furthermore, the pharmaceutical industry remains outside the scope of the European Union's Carbon Border Adjustment Mechanism (CBAM); accordingly, the Group has not been subject to any carbon pricing-related export levies. The current effects are also reflected in investing activities in Statement of cashflows.

	As at 31 Dec, 2025	For the year ended 31 Dec, 2025
Carbon Tax	Balance Sheet	Income Statement
	Property Plant and Equipment	Costs and Expenses
Energy efficient machinery (Note 7)	90,870,732	4,110,704

Current effects of risk on business prospect

C. Anticipated Effects

Over the short to medium term, the financial and operational implications of carbon pricing are expected to remain limited, as Pakistan has not yet implemented a formal carbon tax or emissions trading system applicable to the pharmaceutical sector. The Group is therefore not currently subject to direct carbon pricing obligations, with

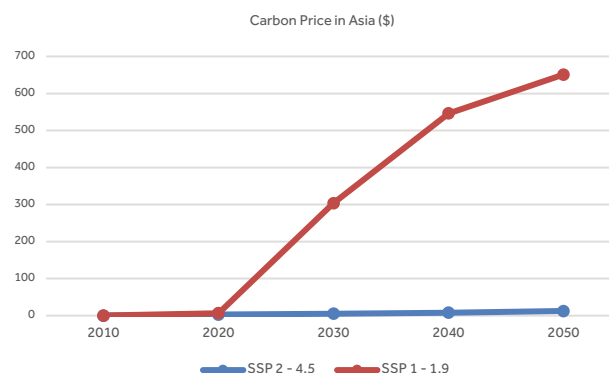
near-term focus on monitoring regulatory developments and strengthening emissions tracking practices.

Over the long term, potential alignment of Pakistan's regulatory framework with its Nationally Determined Contributions (NDCs) under the Paris Agreement may lead to the introduction of carbon pricing or similar mechanisms. This could increase cost exposure through energy pricing, compliance requirements, and value chain impacts.

D. Climate Scenario Analysis

Scenario projections for Asia indicate a gradual strengthening of carbon pricing mechanisms as countries advance their commitments under the Paris Agreement. While Pakistan has not yet implemented a formal framework for the pharmaceutical sector, evolving policies may introduce carbon-related compliance requirements, including emissions monitoring, reporting, and indirect value chain cost pressures.

In the short term, impacts are expected to remain limited; however, carbon-related costs and compliance obligations may increase over the medium to long term as regulatory frameworks evolve. Exposure is expected to be higher under the SSP1-1.9 pathway, reflecting stronger policy ambition and higher carbon price trajectories.



Graph 1.5 – Projected Carbon Price Trajectories in Asia under IPCC SSP Scenarios

E. Adaptation Measures

In response to carbon-pricing risks, the Group is enhancing energy management and emissions monitoring across its manufacturing operations. During FY2025, energy-efficient machinery was installed to improve production efficiency and reduce energy intensity, supporting preparedness for potential carbon pricing or emissions-related regulations.

Looking ahead, the Group plans to implement an energy analyzer system with an investment of Rs. 13,000,000 to enhance facility-level energy visibility and emissions tracking. Opportunities for energy optimization and renewable energy integration continue to be evaluated, supporting operational efficiency and long-term resilience against evolving carbon pricing frameworks.

4.6. Dependency on few Suppliers for APIs

A. Risk Description:

Pharmaceutical manufacturing relies on a stable and diversified supply of Active Pharmaceutical Ingredients (APIs) to ensure uninterrupted production, product quality, and consistent market availability.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Operational/Supply Chain Risk	Short to Long-term	Upstream Supply Chain: Raw Material Procurement Cost, Transportation of raw materials Own Operations: Production delays Downstream Distribution: Distribution of finished goods

B. Current Effects

During FY2025, the Group experienced no manufacturing disruptions or production shortages due to API supplier dependency. Procurement remained stable, supported by existing supplier relationships, monitoring, and inventory planning to ensure consistent availability of critical raw materials. No material capital expenditure related to supplier-concentration risk was recorded.

C. Anticipated Effects

Global pharmaceutical supply chains are vulnerable to geopolitical, regulatory, and logistical disruptions affecting API availability. Dependence on a limited supplier base heightens exposure to production, compliance, and transport risks. Maintaining a stable raw material supply is critical, as over the long term, supplier concentration may increase costs, require inventory adjustments, and lead to production delays and potential revenue impacts.

D. Mitigation Measures

The Group mitigates supply chain risks through supplier diversification and inventory management to ensure stable API availability and uninterrupted manufacturing. Resilience efforts include qualifying alternate suppliers, strengthening monitoring and risk assessments, and securing additional sources and long-term procurement for single-source APIs to reduce concentration risk and maintain consistent production.

4.7. Shift to Renewable Energy

A. Risk Description:

The global transition toward renewable energy represents a climate transition risk that may require energy-intensive industries to adapt their energy sourcing strategies, invest in renewable infrastructure, and align with evolving regulatory and market expectations.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Climate-related Transition Risk (Technology)	Short to medium-term	Upstream Supply Chain: Energy Dependence Own Operations: Production Facility, Transportation Fleet, Plant Utilities Downstream Distribution: Low Carbon Products

B. Current Effects

During FY2025, no material operational disruptions or production constraints were observed as a result of the Group's transition toward renewable energy. The existing solar infrastructure contributed approximately 3.26% of total energy consumption, supporting a gradual transition towards renewable energy. The Group's partial transition towards renewable energy as a result of investment in solar panels is also reflected in investing activities in statement of cashflows.

As at 31 Dec, 2025

Shift to Renewable Energy	Balance Sheet
	Property Plant and Equipment
Solar Installation (Note 7)	30,000,000

Current effects of risk on business prospects

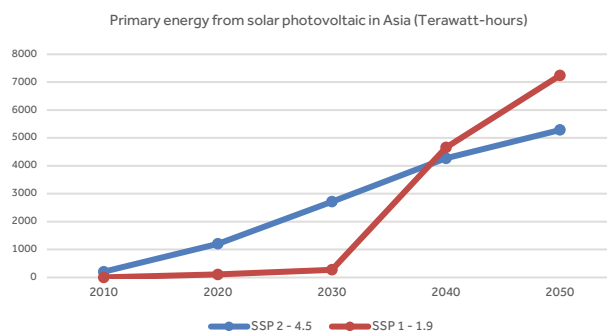
C. Anticipated Effects

In the short to medium term, the transition to renewable energy may require continued investments in solar capacity and facility-level energy management to support stable manufacturing. Existing solar infrastructure and ongoing initiatives provide an operational buffer, supporting gradual energy diversification and mitigating exposure to evolving climate regulations.

Over the long term, further expansion of renewable capacity, advanced energy management, and efficiency improvements may incur incremental capital costs. Increased renewable integration is expected to enhance operational resilience, reduce long-term energy costs, and support alignment with emerging climate policies and decarbonization expectations.

D. Climate Scenario Analysis

The global shift toward renewable energy is expected to continue, driven by climate policies and reduced reliance on fossil fuels. In the short to medium term, companies may face risks from energy cost volatility, infrastructure adaptation, and capital investments needed to diversify energy sources, integrate renewables, and strengthen energy management. These risks are expected to moderate over time as renewable infrastructure and energy management capabilities are enhanced.



Graph 1.6 — Projected Primary Energy from Solar PV in Asia under IPCC SSP Scenarios

E. Mitigation Measures

The Group manages renewable energy transition risks through a phased strategy focused on expanding on-site solar generation and improving energy efficiency. During FY2025, solar capacity was increased and integrated into facility operations to reduce grid reliance and enhance energy cost stability.

Looking ahead, further expansion of solar capacity and improvements in energy monitoring and efficiency are planned to increase renewable electricity's share in the energy mix through an investment in solar panels amounting to Rs. 10,000,000. These measures aim to mitigate operational and cost pressures, support continuity, enhance long-term energy cost stability, and align with emerging climate and energy transition trends. The Group expects its energy sourcing strategy to remain resilient under assessed climate pathways.

4.8. Power Outage

A. Risk Description:

Pharmaceutical manufacturing relies on stable and continuous electricity supply to maintain production processes, and environmental controls. Unreliable grid electricity represents an operational risk that may disrupt production continuity, compromise product output, and increase operational inefficiencies.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Operational / Infrastructure Risk	Short to medium-term	Upstream Supply Chain: Reliability and cost of grid electricity supply Own Operations: Manufacturing continuity, environmental control systems, and temperature-controlled warehousing Downstream Distribution: Product availability and distribution continuity

B. Current Effects

During FY2025, grid power outages did not result in any material operational disruptions or production losses across manufacturing operations. However, maintaining uninterrupted power supply for pharmaceutical production required continued reliance on backup power system to support operational continuity during intermittent grid instability. These operational expenses are also reflected in operating activities in statement of cashflows.

For the year ended
31 Dec, 2025

Power Outage	Income Statement
	Costs and Expenses
Diesel for Generators (Note 32)	70,300,000
Rental for Generators (Note 32)	12,900,000

Current effects of risk on business prospects

C. Anticipated Effects

Over the short to medium term, continued grid instability and periodic power outages may increase operational reliance on backup power systems to maintain stable

electricity supply for production processes and environmental control systems across the Group's manufacturing facilities. This may lead to higher operating expenditures associated with diesel fuel consumption, generator maintenance, equipment monitoring, and contingency operational management. In certain cases, extended outages could also result in temporary production delays if backup capacity is insufficient to fully sustain operational loads.

Over the long term, the Group plans to integrate backup generation capacity and energy infrastructure improvements into the Group's operations, so the potential operational impact of grid instability is expected to stabilize. Strengthened energy resilience, combined with improved power management systems and integration with on-site renewable energy infrastructure, is expected to support stable manufacturing operations and reduce exposure to grid-related disruptions over time.

D. Mitigation Measures

The Group manages power outage risks through investments in backup power infrastructure and operational contingency planning designed to ensure uninterrupted electricity supply for manufacturing operations. The Group plans to strengthen power resilience through the installation of additional generator capacity of 1,275 kVA through an investment amounting to Rs. 130,000,000 and expansion of grid load capacity by approximately 1,500 kW by 2026, enabling backup systems to more closely match full operational power requirements during outages. The Group also plans to enhance electrical infrastructure to support integration with existing on-site solar generation infrastructure, thereby reducing reliance on diesel-based generation over time. Periodic load-testing of backup systems, preventive maintenance protocols, and improved inventory management for critical inputs are also planned to support uninterrupted production operations.

4.9. Effluent Discharge

A. Risk Description:

Pharmaceutical manufacturing generates process wastewater that must meet stringent environmental standards to ensure regulatory compliance and environmental protection. Non-compliance with Environmental Protection Agency (EPA) effluent discharge regulations represents an environmental and regulatory risk.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Environmental and Regulatory Compliance Risk	Short to medium-term	Upstream Supply Chain: Procurement of wastewater treatment chemicals Own Operations: Effluent treatment plant (ETP) operations, wastewater monitoring, and regulatory compliance

B. Current Effects

During FY2025, the Group incurred modest effluent management costs for treatment, monitoring, and water quality testing, as reflected in operating activities in statement of cashflows. These expenditures were immaterial to overall operating expenses and profitability, reflecting a proactive approach to regulatory compliance, environmental risk mitigation, and long-term operational resilience.

For the year ended
31 Dec, 2025

Effluent Discharge	Income Statement
	Costs and Expenses
Regulatory Compliance Penalty (Note 34)	250,000
ETP Operational Expense (Note 34)	109,430

Current effects of risk on business prospects

C. Anticipated Effects

In the short to medium term, stricter environmental regulations may increase effluent treatment costs and, if regulatory standards are not met, lead to fines, remediation, or operational interruptions. Ongoing maintenance and planned upgrades are expected to mitigate these impacts. Long term, wastewater systems are expected to operate with

greater stability and compliance, keeping financial and operational risks manageable and supporting uninterrupted manufacturing.

D. Mitigation Measures

The Group manages effluent discharge risks through wastewater treatment and monitoring systems designed to ensure compliance with applicable environmental standards. During FY2025, the Group incurred routine monitoring, laboratory testing, and maintenance expenditures to maintain wastewater quality within permissible discharge limits. The Group plans to strengthen wastewater management practices through the planned upgrade of the ETP (with an estimated cost of Rs. 10,000,000) to enhance treatment capacity and operational efficiency. The Group also intends to continue evaluating longer-term wastewater management solutions, including advanced wastewater treatment technologies, to further strengthen environmental performance and reduce regulatory risk.

4.10. Employee Health and Safety

A. Risk Description:

Pharmaceutical manufacturing involves operational exposure to active ingredients, specialized machinery, and controlled production environments, making workforce health and safety a critical sustainability consideration.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Operational Risk – Occupational Health and Safety	Short-term	Upstream Supply Chain: Contractor Safety, Supplier Workforce Compliance Own Operations: Workforce health and safety, regulatory compliance, workforce productivity Downstream Distribution: Operational Continuity

B. Current Effects

During FY2025, two workplace injuries and minor incidents involving potential exposure to cephalosporin dust were recorded during routine manufacturing operations. These incidents required precautionary measures, including enhanced monitoring and increased use of personal protective equipment (PPE), to maintain appropriate occupational safety standards. The resulting operating impacts are also reflected in the operating activities in the Statement of Cash Flows. While no material financial losses or operational disruptions occurred during the reporting period.

For the year ended
31 Dec, 2025

Employee Health and Safety	Income Statement
	Costs and Expenses
Fire Extinguisher Refilling (Note 34)	166,140
Annual Medical check-up cost (Note 32)	3,960,000
ISO 45001 Certification (Note 34)	1,464,471

Current effects of risk on business prospects

C. Anticipated Effects

Over the short to medium term, workplace safety incidents or increased occupational exposure risks may require continued strengthening of safety monitoring, operational oversight, and preventive health measures across manufacturing operations. This may lead to increased operating expenditures related to safety training, employee medical surveillance, environmental monitoring, and compliance audits.

Over the long term, the Group expects workplace safety risks to remain well managed within existing operational frameworks. Strengthened occupational health management systems and continued workforce training are expected to support regulatory compliance, maintain employee well-being, and ensure uninterrupted pharmaceutical manufacturing operations.

D. Mitigation Measures

The Group manages employee health and safety risks through a comprehensive Occupational Health and Safety (OHS) management system designed to maintain safe workplace conditions across its operations. During FY2025, the Group continued implementing workplace safety measures including PPE usage, employee medical surveillance programs, and periodic safety training to reduce exposure risks. Looking ahead, the Group plans to further strengthen occupational safety infrastructure through the installation of an enhanced fire alarm system costing Rs. 18,000,000 and continued improvements in engineering controls and safety monitoring practices. Additional initiatives include increased frequency of safety training programs, strengthened incident reporting mechanisms, regular compliance audits, and enhanced workplace hazard monitoring. These measures are intended to reduce workplace safety risks, protect employee well-being, and maintain compliance with occupational health and safety standards.

4.11. Talent and Workforce Management

A. Risk Description:

The pharmaceutical sector depends on a skilled workforce for operational continuity, product quality, and strategy execution, making talent management a key risk to workforce stability and productivity.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Human Capital / Operational Risk	Short to medium-term	Upstream Supply Chain: Availability of skilled workforce and specialized technical talent Own Operations: Human Capital management, Employee Turnover, Productivity Loss, and succession continuity Downstream Distribution: Product availability and continuity of business operations

B. Current Effects

During FY2025, no material operational disruptions or financial losses occurred due to workforce attrition or talent shortages. The Group identified Business Critical Positions (BCPs) and High-Potential Employees (HiPos), enhancing visibility over key roles, succession planning, and employee development to support operational continuity.

C. Anticipated Effects

Short - to medium-term labour market pressures and demand for specialized pharmaceutical talent may challenge recruitment and retention, affecting efficiency, stability, and costs. Over the long term, structured talent management, leadership development, and succession planning are expected to sustain workforce stability and operational continuity.

D. Mitigation Measures

The Group manages workforce risks through structured recruitment, performance management, and succession planning. In FY2025, it developed a Talent Management Framework, with implementation planned for early 2026. Ongoing initiatives include employee development, salary benchmarking, performance evaluations, training needs assessments, development plans, and exit interviews to support retention and workforce planning.

4.12. Cybersecurity and Data Privacy

A. Risk Description:

Pharmaceutical operations increasingly depend on interconnected IT systems, enterprise resource planning (ERP) platforms, digital communication tools, and manufacturing execution systems, making cybersecurity and data privacy a critical digital and operational risk.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Digital / Operational Resilience Risk	Short to medium-term	Upstream Supply Chain: Vendor and Third-party Confidential Information Own Operations: ERP systems, production planning, enterprise data security, and business continuity Downstream Distribution: Customer and stakeholder confidential information, service continuity, and trust

B. Current Effects

During FY2025, the Group experienced an elevated cybersecurity risk environment, including increased phishing attempts reflecting the growing prevalence of AI-enabled cyber threats. However, precautionary measures and strengthened IT controls implemented during the year prevented any material operational disruptions or financial losses. These expenditures support improved protection of enterprise systems and sensitive operational data while strengthening resilience against evolving cybersecurity threats, as reflected in operating and investing activities in statement of cashflows.

	As at 31 Dec, 2025	For the year ended 31 Dec, 2025
Cybersecurity and Data Privacy	Balance Sheet	Income Statement
	Intangible Assets	Costs and Expenses
SAP annual Maintenance cost (Note 34)	-	11,012,855
Firewall cost (Note 8)	5,734,563	1,274,347

Current effects of risk on business prospects

C. Anticipated Effects

Over the short to medium term, increasing cyber threats may elevate operational risks associated with the Group's digital infrastructure. Given the reliance on ERP systems and digital communication tools, cybersecurity incidents could affect production planning, supply chain coordination, and administrative operations if not adequately managed. These conditions may also lead to higher operating expenditures related to cybersecurity monitoring, software licensing, infrastructure upgrades, incident response, and recovery activities.

In addition, cyber incidents could expose the Group to regulatory penalties, litigation costs, and reputational damage if sensitive data or critical systems are compromised. Over the long term, continued investment in cybersecurity infrastructure and modernisation of digital systems is expected to enhance system reliability and operational resilience. Strengthened governance frameworks, periodic security audits, and employee awareness programmes are expected to support effective cyber risk management. As these measures mature, the potential operational and financial effects of cybersecurity threats are expected to remain manageable while supporting the protection of sensitive operational and stakeholder data.

D. Mitigation Measures

The Group manages cybersecurity and data privacy risks through a structured governance framework aligned with international information security standards. During FY2025, licensed firewall systems were implemented and integrated with existing IT infrastructure to strengthen network security controls. Microsoft 365 security systems with automated updates and Security Operations Center (SOC) monitoring provide continuous threat detection and system monitoring. The Group continues to strengthen its cybersecurity posture through ongoing modernization of ERP and digital systems, enhanced device and network security controls, and expanded cybersecurity awareness training for employees. Additional initiatives include strengthening disaster recovery and business continuity planning, conducting regular internal IT audits, and enhancing incident response capabilities. These measures are intended to reduce exposure to cyber threats and support the protection of sensitive operational and stakeholder data.



Sustainability Related Opportunities

4.13. Demand for Low Carbon Products

A. Opportunity Description:

Growing global focus on climate change mitigation and sustainability is increasing demand for low-carbon products across industries. This shift is also influencing expectations of reducing environmental impacts of pharmaceutical product packaging materials.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Market / Product Stewardship Opportunity	Long-term	Upstream Supply Chain: Availability and sourcing of sustainable packaging materials Own Operations: Packaging design, material optimization, and process efficiency Downstream Distribution: Customer expectations, market access, and product positioning

B. Current Effects

During FY2025, no material operational or financial effects were observed from market-driven demand shifts related to environmentally responsible pharmaceutical packaging. In the primary markets of pharmaceutical industry in which the Group operates, there were limited regulatory requirements or customer expectations that specifically mandated sustainable packaging attributes. Accordingly, no incremental revenue opportunities or material additional operating expenditures directly associated with this opportunity were recorded during the reporting period. The Group nevertheless continues to monitor evolving regulatory developments, sustainability frameworks, and market expectations that may influence future demand for more sustainable packaging.

C. Anticipated Effects

Over the long term, strengthening sustainability expectations may gradually increase demand for pharmaceutical products using lower-impact packaging materials. Where customer and market expectations evolve in this direction, companies adopting more resource-efficient and environmentally responsible packaging approaches may gain commercial or positioning advantages.

Responding to this trend may require investment in packaging-material optimisation, sustainable material alternatives, and improvements in packaging process efficiency. These initiatives may involve incremental capital expenditure and operating adjustments over time. If successfully aligned with market expectations, this may also support customer relationships, market access, and long-term revenue resilience.

D. Strategic Initiative to realize the opportunity

The Group intends to monitor regulatory developments, sustainability frameworks, and stakeholder expectations related to environmentally responsible packaging materials. As part of its forward-looking strategy, the Group will evaluate opportunities to reduce the environmental impact of packaging through material optimisation, improved resource efficiency, and sustainable packaging initiatives. Supplier engagement will support assessment of sustainable material availability and supply-chain readiness, while internal process optimisation will support more efficient packaging design and use. Through the gradual integration of these practices, the Group aims to strengthen preparedness for evolving market expectations and support longer-term commercial resilience.

4.14. Automation and Artificial Intelligence

A. Opportunity Description:

Automation and artificial intelligence represent a strategic opportunity for the Group as pharmaceutical manufacturing and supply chains continue to undergo digital transformation.

Risk Category	Expected time horizon for risk occurrence	Impact location within the business model and value chain
Operational Efficiency / Digital Transformation Opportunity	Short to medium term with longer-term productivity benefits	Upstream Supply Chain: Supplier coordination, input planning, and production scheduling data Own Operations: Production processes, asset utilization, quality monitoring, and operational planning Downstream Distribution: Product availability, fulfillment efficiency, and customer service responsiveness

B. Current Effects

During FY2025, the Group strengthened its digital infrastructure by integrating core systems across planning, production scheduling, inventory, and asset management, reducing manual processing, and improving data accuracy. While benefits were primarily operational, these integrations also improved process transparency and efficiency across manufacturing and administrative functions.

C. Anticipated Effects

Continued adoption of automation, advanced analytics, and selected AI-enabled tools over the short, medium and long term may enhance operational efficiency across manufacturing, supply chain planning, and quality management processes. Greater automation of routine activities and improved analytics may reduce process variability, minimise batch failures, and strengthen production-planning capability.

D. Strategic Initiative to realize the opportunity

The Group's digital transformation initiatives include batch automation, AI-enabled monitoring, predictive maintenance, real-time analytics, and integrated planning. Investments in IT modernization, cybersecurity, and workforce training support reliable digital operations, improved efficiency, regulatory compliance, and scalable growth.

5. Climate Scenario Analysis

In 2025, the Group conducted a climate-related scenario analysis covering its operations in Pakistan. The assessment evaluated the implications of key physical and transition risks on the Group's business model, strategy, and long-term operational resilience, considering risk likelihood, severity in terms of operational disruption or cost impact, and the Group's adaptive capacity across short, medium, and long-term horizons aligned with and extending beyond strategic planning periods. The analysis supports understanding of risk trajectories and informs decision-making by identifying areas where residual exposures may persist or intensify over time.

A. Methodology and Scenario Selection

The analysis applies a combination of physical- and transition-risk pathways using Shared Socioeconomic Pathways (SSP) and Network for Greening the Financial System (NGFS) scenarios to capture climate outcomes alongside policy and market responses, enabling assessment under varying warming trajectories and transition environments. Key details of scenario selection and coverage are as follows:

Scenarios Selected		Temperature Alignment	Key Assumptions
Higher-warming scenarios used to assess physical risk exposure	NGFS Current Policies	Represents a higher-warming pathway with delayed global mitigation, where warming is expected to reach approximately 2-3°C above pre-industrial levels by the end of the century.	- Intensified heat and humidity conditions impact operational environments and workforce productivity. - Increased precipitation intensity results in increased flood probability in operational regions. - Regional water stress reflecting higher demand and limited mitigation. - Slower reductions in air pollutants and delayed regulatory intervention.
	SSP2-4.5		
Accelerated-transition scenarios used to assess policy, market and technology transition risks	NGFS Net-Zero 2050	Represents an accelerated global decarbonization pathway broadly aligned with the Paris Agreement ambition of limiting warming to around 1.5–2°C above pre-industrial levels.	- Rapid expansion of renewable energy (solar PV) and reduced reliance on fossil fuels. - Accelerated carbon pricing and emissions regulation. - Improved air quality and pollution control measures. - Moderated extreme weather events and resource stress.
	SSP1-1.9		

The table below summarizes the potential exposure of key climate-related risks under contrasting physical and transition scenarios, indicating both the expected impact level and the underlying rationale for each scenario:

Climate Risk	Scenario Pathways	Projected Exposure	Scenario Narrative
Temperature and Humidity	SSP2-4.5	High	Rising temperatures approaching ~2°C by 2050 increase chronic operational and workforce exposure.
	SSP1-1.9	Medium	Warming moderated, residual exposure manageable with adaptation measures.
Smog and Air Pollution	SSP2-4.5	Medium–High	Slower emissions reduction maintains higher pollutant levels, sustaining operational and compliance pressure.
	SSP1-1.9	Low–Medium	Accelerated decarbonization reduces emissions, lowering air quality-related risks.
Flooding	NGFS Current Policies	Medium	Slight increase in precipitation intensity elevates flood probability and infrastructure exposure.
	NGFS Net Zero 2050	Low	Moderated warming stabilizes precipitation trends, reducing flood exposure.
Water Stress	NGFS Current Policies	Medium	Slightly elevated demand and temperature increase residual scarcity risk.
	NGFS Net Zero 2050	Low	Resource efficiency improvements and moderated warming reduce scarcity exposure.
Carbon Pricing	SSP2-4.5	Low–Medium	Slower policy escalation results in lower near-term regulatory cost exposure.
	SSP1-1.9	Medium–High	Accelerated decarbonization drives sharp increases in carbon price, increasing cost exposure.
Shift to Renewable Energy	SSP2-4.5	Medium	Slower renewable adoption creates moderate transition pressure.
	SSP1-1.9	Medium–High	Rapid renewable energy growth accelerates asset reallocation and competitive pressure.

5.1. Resilience Assessment

The Group has undertaken an assessment of the resilience of its strategy against evolving sustainability and climate-related risks and opportunities. Its strategic planning process incorporates insights from enterprise risk management and climate scenario analysis to evaluate how physical and transition factors could affect operations, financial outcomes, asset reliability, and long-term value generation. The findings from these assessments guide capital deployment decisions, operational improvement programmes and long-term investment direction, enabling Group's strategy to remain aligned with a spectrum of plausible future developments, including regulatory changes, shifts in energy markets, technological progress, and physical climate impacts.

The Group's strategic priorities are intended to strengthen resilience to chronic and acute physical risks, transition risks, and broader sustainability-related exposures through targeted investment in manufacturing resilience, energy systems, environmental management, and digital capabilities.

The Group recognizes that considerable uncertainty persists regarding how climate change may materialise at the regional level, particularly with respect to temperature fluctuations, the intensity and frequency of extreme weather events, and the trajectory of policy-driven carbon pricing. Such uncertainties complicate efforts to anticipate the exact timing, magnitude, and geographic distribution of climate-related effects on assets, infrastructure, supply chains, and operational environments.

Despite these uncertainties, the climate scenario analysis indicates that the Group's business model is expected to remain operationally resilient across the scenarios assessed, provided that planned resilience measures and investment priorities continue to be implemented. Continuous evaluation of financing structures and capital planning is expected to support the financial flexibility required to advance climate-related investments. This integrated strategy is designed to safeguard strategic flexibility, ensure sufficient capital availability, and maintain resilience under varying physical and transition risk pathways, thereby underpinning sustainable long-term value creation.

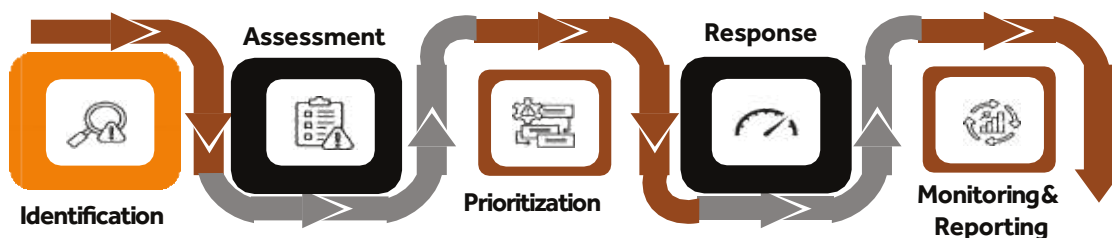
The findings from this analysis inform the relative prioritisation of climate-related risks and the resilience measures described in the individual risk profiles.

6. Risk Management Process

The Group adopts a systematic approach to identifying, assessing, prioritizing, and monitoring sustainability and climate-related risks and opportunities through its integrated Enterprise Risk Management (ERM) framework. The ERM framework establishes methodological guidelines, response strategies, governance structures, and defined responsibilities, supporting all stages of the risk management cycle from identification and analysis to prioritization, monitoring, and reporting, thereby enabling informed decision-making aligned with established governance practices.

Sustainability and climate-related risks are incorporated within the ERM framework, which categorizes risks into financial, strategic, operational, and compliance areas, and are assessed using the same identification, likelihood-impact evaluation, prioritization, and monitoring processes as other enterprise risks. During the reporting period, the Group also incorporated short, medium, and long-term time horizons into the ERM process to ensure consistency in the assessment of sustainability-related and other enterprise risks.

The Group's risk management process is outlined below:



6.1. Identification of Risk and Opportunity

The Group follows a structured methodology to identify sustainability and climate-related risks and opportunities that could affect its prospects. Potential risks are identified through analysis of entity-specific and external evidence, considering the Group's operations and activities across the entire value chain, its dependencies and impacts, and external environment in which the Group operates.

The process also draws on multiple frameworks and sources, including the Biotechnology and Pharmaceuticals SASB Standard, CDSB guidance on water and biodiversity-related disclosures, SECP ESG Disclosure Guidelines, industry

benchmarking, engagement with internal risk champions, the existing risk register, and other risk identification tools outlined in ERM framework.

This process results in a comprehensive compilation of risks, organized into categories and subcategories to form the Group's enterprise risk profile. Risk categories continue to evolve with emerging internal developments and external operating environment. The Risk Management Function reviews and updates the taxonomy annually, and the Board oversees its alignment with Group's strategy and enterprise value.

6.2. Assessment of Risk and Opportunity

Following risk identification, sustainability and climate-related risks and opportunities are assessed through an organization-wide risk assessment process. To assess the risks, structured assessment tools are circulated to respective risk champions, enabling them to evaluate function specific SRROs. Risk assessment is conducted using a structured likelihood-impact assessment matrix defined within the Group's ERM framework. Likelihood reflects the probability of occurrence based on historical trends, scenario analysis, and forward-looking indicators, while impact considers potential financial, operational, regulatory, and reputational consequences. These criteria enable consistent prioritization of sustainability-related risks alongside other enterprise risks. This process results in inherent risk evaluations of all SRROs that may affect the Group's prospects.

During this process, risk champions also identify the current and anticipated effects of SRROs on the Group's business model and value chain, including where in the business model and value chain these risks and opportunities are concentrated. Subsequently, risk champions evaluate the effectiveness of existing controls using a structured Control Effectiveness Grid, resulting in residual risk ratings that reflect the degree of exposure remaining after consideration of existing control measures. Residual risk ratings also incorporate considerations such as the velocity of risk occurrence and the adequacy of the internal control environment in responding to critical risks.

In parallel, sustainability and climate-related opportunities are evaluated through the Group's project evaluation process, which incorporates consideration of financial viability, environmental and social impacts, and regulatory compliance. Project evaluations are undertaken within the context of the Group's strategic business planning cycle.

6.3. Prioritization of Risk and Opportunity

The Group prioritizes SRROs through a structured evaluation of their likelihood, magnitude of impact, and relevant time horizons. Identified risks are compared against the Group's defined risk appetite and tolerance thresholds duly approved by the Board to determine their relative priority within the enterprise risk profile. The Group prioritizes only those risks that are considered to potentially affect the Group's performance and future cash flows over the short, medium and long-term time horizon.

Sustainability-related opportunities are also prioritized based on potential impact, feasibility, and alignment with strategic objectives, including relevance to core operations, stakeholder expectations, and long-term value creation.

A consolidated dashboard of prioritized SRROs is prepared by the ERM Function and submitted to the CEO for review and approval. The CEO evaluates these exposures in relation to their potential impact on operational and financial performance. Following approval, prioritized risks and related mitigation actions are incorporated into the Group's budgeting and financial planning processes to ensure appropriate and timely resource allocation without compromising the achievement of Group's strategic objectives.

A. Judgements and Measurement

The identification, evaluation, and prioritization of SRROs involve judgement and inherent uncertainty, as risk ratings are based on internal data, scenario assumptions, historical trends, and forward-looking factors. Given the dynamic nature of climate, regulatory, market, and operational conditions, actual outcomes may differ from current assessments, with evolving external circumstances and stakeholder expectations potentially affecting these evaluations.

6.4. Response

The risk assessment process provides input to the risk response phase. During this phase, various options are evaluated, cost-benefit analyses are performed, and response strategies and plans are developed. The Group applies a structured approach to implement controls based on identified SRROs and available resources, using a hierarchy of control types that includes avoid, mitigate, transfer, pursue, accept, and share. These controls are embedded within business processes, and are developed in

coordination with risk owners and risk champions. It is then reviewed by the Risk Management Function for the final approval from Ex-Com and the Board. Once the response plans are developed, they are tested against the response effectiveness criteria which has been established by the Group to evaluate its effectiveness in accordance with their ERM Framework.

6.5. Monitoring and Reporting

Monitoring and reporting processes are established to ensure the effective functioning of governance, risk management, and compliance systems, enabling management decisions to be supported by timely and reliable information. Key Performance Indicators (KPIs), both qualitative and quantitative, are defined for each prioritized sustainability and climate-related risk and opportunity (SRRO) at the departmental level, aligned with operational and strategic objectives. KPI insights inform risk assessments, management reviews, and strategic decision-making, allowing leadership to evaluate sustainability risks in the context of business performance, regulatory requirements, and long-term objectives.

The Executive Committee reviews sustainability and climate-related risks monthly to assess risk adequacy and monitor mitigation or adaptation progress, including target achievement where applicable. An annual consolidated Risk Oversight Report is prepared, integrating financial and sustainability-related risks exposures, and is reviewed by Risk Management and Sustainability Committees for a coordinated enterprise-wide view. Sustainability opportunities are monitored to track performance, implementation, and contribution to long-term value creation.

The Risk Management Function supports this process by providing guidance, tools, and training to strengthen risk awareness and institutionalize risk ownership across the organization. Through continuous monitoring within the ERM framework, the Group ensures that emerging risks and opportunities are identified in a timely manner and addressed in alignment with its strategic and sustainability objectives. Insights from the risk monitoring process are incorporated into strategic planning, capital allocation decisions, and operational improvement programs to strengthen the Group's long-term resilience.

7. Metrics and Targets

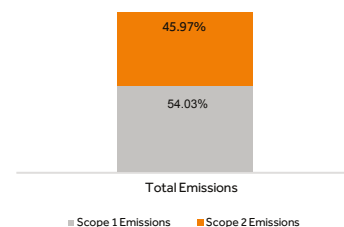
7.1. Cross-Industry Metrics

A. Greenhouse Gas Emissions

The Group measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). In setting organizational boundary of GHG emissions, the Group selects an operational control approach for consolidating GHG emissions and then consistently applies the selected approach for all its business units, and facilities. The Group has selected this approach because it operates as an integrated pharmaceutical manufacturing company with centralized governance and control over its production facilities and operations. Given this centralized operational structure, the operational control approach provides the most accurate representation of how entity's greenhouse gas (GHG) emissions are measured, managed, and reduced. By applying this approach, the Group captures emissions from all operations where it has the authority to introduce and implement operating policies.

The Group's gross greenhouse gas emissions generated during the reporting period were 6,215.8 tons of CO₂ equivalent. Scope 2 emissions are currently reported using the location-based method as market-based electricity emission factors or renewable energy procurement instruments are not presently available within the Group's electricity sourcing arrangements.

Gross GHG Emissions	Amount
Scope 1 Emissions (tCO ₂ e)	3,358.56
Scope 2 Emissions: Location Based (tCO ₂ e)	2,857.28
Total Gross Emissions (tCO₂e)	6215.84
Emissions Intensity (tCO ₂ e/million PKR revenue)	0.176



A.1. Targets – Decarbonization Pathway

The Group has planned to take a step-by-step approach to decarbonization. In the current reporting period, the Group has established a baseline for Scope 1 and Scope 2

emissions and aim to complete the Scope 3 baseline by 2027. The Group is also evaluating to define medium-to-long-term decarbonisation targets, aligned with energy efficiency improvements, increased renewable energy adoption, and operational optimization initiatives.

2027
Scope 3 Emissions
Baseline Year

A.2. Judgements and Measurement Uncertainty

Both the selection of the operational control approach and the identification of operations over which the group has operational control are areas of significant judgement. Management has also applied judgement in determining the calculation methods that are most appropriate for each category of emissions depending on the availability and quality of data. In instances where complete or primary activity data was unavailable, reasonable proxy data and best-available replacement estimates were utilized to approximate emissions. These estimates are subject to inherent measurement uncertainty due to assumptions embedded in emission factors, data limitations within operational boundaries, and reliance on secondary data sources.

Emissions have been calculated using recognized international emission factor databases applied to relevant activity data. Activity data used in emissions calculations includes fuel consumption records, electricity purchase data, and operational production statistics obtained from facility-level monitoring systems. Management also exercised judgement in selecting appropriate emission factors to calculate GHG emissions from internationally recognized databases such as DEFRA, the International Energy Agency (IEA), the U.S. Environmental Protection Agency (EPA), and other recognized authorities, taking into account geographic relevance and data availability.

B. Climate-related risks and opportunity exposure

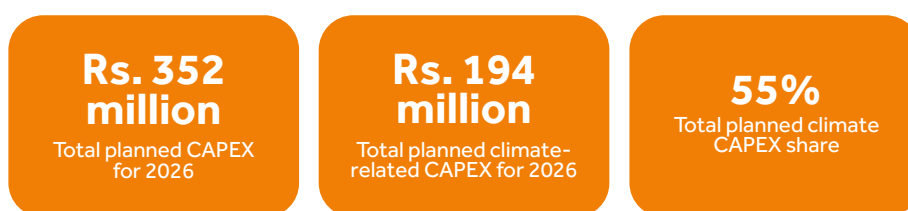
During the reporting period, the Group conducted an initial assessment of climate-related physical and transition risks, as well as opportunities, across its core operations and key asset classes. Climate exposure was evaluated at the operational and asset-class level by mapping these assets to relevant physical hazards and transition drivers identified in the Group's climate risk assessment. As this is the Group's first year of reporting, detailed asset-level mapping to specific climate risk drivers has not yet been completed. Accordingly, the Group is unable to reliably determine the amount and percentage of assets or business activities exposed to physical and transition risks or

aligned with climate-related opportunities.

In line with the principle of using reasonable and supportable information available at the reporting date without undue cost or effort, sufficient asset-level data was not available to support quantitative exposure metrics. The Group intends to enhance this approach in future reporting cycles by conducting detailed asset-level mapping across its fixed asset base and calculating exposure metrics based on asset carrying values within a defined asset universe.

C. Capital Deployment

To strengthen asset resilience against climate-related physical and transition risks and capture climate-related opportunities, the Group has identified key investment priorities for 2026 during the reporting period. These priorities aim to mitigate prioritized climate-related risks while creating opportunities for long-term value creation, with approximately Rs. 194 million of planned climate-related capital expenditure expected to support initiatives that enhance operational resilience and energy efficiency across manufacturing facilities. These capital allocation decisions are informed by the Group's climate risk assessments and are integrated within the broader strategic planning and budgeting process.



D. Internal Carbon Pricing

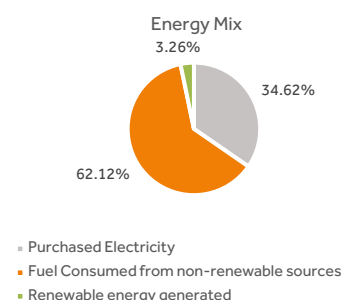
The Group does not currently apply an internal carbon pricing mechanism in its operational or investment decision-making, as Pakistan has not implemented a nationwide carbon tax or emissions trading system and the pharmaceutical sector is not directly exposed to such regulations. Consequently, no carbon pricing-related liabilities were incurred in FY2025, and no internal shadow price was used. However, the Group actively monitors evolving climate policies in Pakistan and globally, including potential carbon taxes, emissions trading systems, and cross-border carbon adjustments, which may impact future operations and investments. In anticipation of these developments, the Group intends to evaluate the adoption of an internal carbon pricing framework to support risk management, inform capital allocation, and align long-term planning with low-carbon transition pathways.

7.2. Industry-based Metrics

A. Energy

During the reporting period, the Group consumed a total of 72,279.03 GJ of energy to support its manufacturing operations. The energy mix reflects operational reliability requirements and the gradual integration of alternative energy sources across facilities. To enhance energy security, a portion of the group's energy demand is met through on-site generation. Strengthening energy efficiency initiatives and expanding renewable energy adoption remain key priorities for improving operational resilience and supporting group's long-term strategy of shifting to renewable energy.

Energy	Amount
Purchased Electricity (GJ)	25,023
Fuel consumed from non-renewable sources (GJ)	44,898.53
Renewable Energy Generated (GJ)	2,356
Total Energy Consumed (GJ)	72,279.03
Energy Intensity (GJ / million PKR revenue)	2.047



A.1. Targets

The Group has established 2025 as the baseline year for energy performance measurement and is currently evaluating medium- to long-term operational targets aimed at reducing energy intensity and increasing the share of renewable energy within its overall energy mix.

B. Waste

Highnoon Group generates waste as a result of its pharmaceutical manufacturing, packaging, laboratory, and supporting operational activities, comprising both hazardous and non-hazardous waste. Hazardous waste includes expired materials, rejected batches, solvents, chemicals, and contaminated packaging, while non-hazardous waste consists mainly of general waste, paper, plastics, and packaging materials. The group follows a structured waste management approach that prioritizes safe disposal and resource recovery. Hazardous waste is sent for incineration through licensed waste management service providers to ensure compliance with environmental regulations.

Waste	Amount
Total Hazardous Waste Generated (Metric Tons)	33.65
Total Non-Hazardous Waste Generated (Metric Tons)	164.98
Total Waste Generated (Metric Tons)	198.63

B.1. Targets and Improvement Pathway

The Group has not yet established a waste management baseline, as its data recording system is still under development. The Group is in a process of implementing a structured waste-tracking system to improve measurement, monitor treatment pathways, and enable future waste reduction and resource recovery targets.

B.2. Judgements and Measurement Uncertainty

A portion of non-hazardous waste was recorded by unit count rather than weight. To estimate total weight, representative samples were weighed to determine average unit weights. This approach assumes uniformity across units and batches, introducing measurement uncertainty. While reasonable sampling and internal validation procedures were applied, actual volumes may vary, and reported figures include estimates based on unit-weight sampling.

C. Water

Water is a critical resource for Highnoon Group, supporting pharmaceutical manufacturing processes and ensuring compliance with GMP and regulatory requirements. Water is primarily sourced from groundwater and municipal supply, with operations located in Lahore, where groundwater stress is a key consideration. The Group monitors water consumption to improve efficiency, manage access, and minimize wastage.

Water	Amount
Total Water Withdrawn (Megaliters)	103.95
Total Water Consumed (Megaliters)	9.86
Total Water Discharged (Megaliters)	94.09

Note: Water withdrawn reflects total water sourced for operations. Water consumed represents the portion not returned to the immediate environment, while water discharged reflects treated effluent released following on-site treatment.

C.1. Targets

The Group has not yet established water-related targets, as a complete and accurate baseline has not been determined due to the absence of flow meters required for reliable data measurement. The Group is in the process of implementing appropriate water measurement systems to enable the development of reliable baseline data and the subsequent setting of meaningful water-related targets.

C.2. Judgements and Measurement

Certain water withdrawal and effluent discharge metrics are estimated for locations without metered data, using engineering assessments, operational capacity, and consumption patterns based on the best available information. These estimates involve assumptions on usage intensity, production levels, and system efficiency, resulting in some measurement uncertainty despite internal review and prudent judgement. The Group plans to improve metering infrastructure to enhance accuracy, and reported figures include estimated values where direct measurement was not available. Reported figures therefore include estimated values where direct measurements were unavailable.

D. Packaging Material

Packaging represents a significant component of the environmental footprint of medicinal products and therefore remains an important focus area for the Group's sustainability efforts. The Group emphasizes the use of recyclable materials to support decarbonisation, complying with evolving regulations, and meeting market demand for environmentally responsible products. By reducing non-recyclable materials and optimizing packaging carbon footprint, the Group aims to enhance resource efficiency, strengthen brand value, and align with global sustainability standards.

Recyclable Packaging Material

3,243.91 Metric Tons



Non-Recyclable Packaging Material

663.94 Metric Tons



D.1. Judgements and Measurement Uncertainty

Certain packaging material consumption data was recorded in units rather than weight. To estimate total packaging material usage in weight terms, an average weight was determined for each packaging material category based on representative samples. Management has exercised professional judgement in applying this methodology; however, future implementation of weight-based tracking systems may improve measurement precision in future reporting periods. Accordingly, reported packaging material quantities include estimated values for materials where direct weight was not available during the reporting period.

E. Talent and Workforce Management

At Highnoon Group, employees are the driving force behind operational excellence, product quality, and sustained growth. The Group cultivates a culture that supports structured talent development through disciplined performance management, leadership development, and succession planning. Through a structured Career Stream pathway and formal Performance Management System, employees are empowered to set clear objectives, monitor performance, identify development needs, and plan career progression. Regular performance dialogues and development discussions enhance accountability, strengthen internal mobility, and support the creation of a sustainable leadership pipeline for critical roles.

Employees	2025
Total Number of Employees	2,563
Total Number of Employees by gender:	
Male	2,406
Female	157
Average number of employees	2,470
Percentage of Female Representation in Workforce	6.14%
Total Number of employees hired by gender:	
Male	1,083
Female	32
Voluntary Turnover Rate:	
(i) Executives/Senior Managers	23.79%
(ii) Mid-level Managers	18.44%
(iii) Professionals	48.97%
(iv) All Others	2.66%
Involuntary Turnover Rate:	
(i) Executives/Senior Managers	0%
(ii) Mid-level Managers	1.44%
(iii) Professionals	0.78%
(iv) All Others	0.22%
Hiring Rate	45.14%

E.1. Talent Attraction and Retention

The Group recognizes that attracting and retaining skilled professionals is essential for sustaining operational performance, regulatory compliance, and long-term competitiveness within the pharmaceutical industry, where specialized technical expertise and quality management are critical to product integrity and market position. Therefore, it promotes merit-based employment practices, ensuring that talent decisions are grounded in merit, competence, and organizational fit.

By integrating talent planning with succession considerations and long-term workforce strategy, the Group strengthens institutional resilience and mitigates risks associated with skill shortages and critical role dependency.

During the reporting period, the Group formally identified Business Critical Positions (BCPs) and High-Potential (HiPo) employees. Building on this effort, the Group plans to develop and implement a structured Talent Management Framework incorporating succession planning, internal successor identification, and development of internal talent pipelines.

Talent Retention Targets

Achieve 90% retention of key talent by 2027, supporting continuity, knowledge preservation, and a strong human capital base.

Beginning in Q1 2026, identified critical roles will be monitored under a differentiated framework with dedicated retention and turnover indicators to enhance visibility over strategic talent risks and support proactive workforce planning.

F. Trainings and Development

Highnoon Group views continuous learning and leadership development as strategic priorities to sustain operational excellence, and long-term competitiveness. The Group's structured training framework strengthens technical expertise, leadership capability, and managerial effectiveness through internal programs, international courses, and professional certifications, supporting succession readiness and career progression.

F.1. Leadership Training Programme

To strengthen leadership capability, the Group provides a structured portfolio of leadership development initiatives designed to strengthen managerial and strategic capabilities across the organization. Senior executives participate in internationally recognized programmes offered by leading institutions such as Wharton School, INSEAD, and Harvard University, enabling exposure to global best practices and advanced leadership insights. At the organizational level, structured internal trainings, including Situational Leadership® II (SLII®) by Ken Blanchard Companies, "6 Critical Practices for Leading a Team" by FranklinCovey, and the Leadership Grid programme by Pakistan Society for Training and Development, focus on enhancing leadership effectiveness, communication, team engagement, and performance management.

The Group also promotes inclusive leadership through targeted initiatives such as the Women Leadership Program, supporting diversity and empowering female professionals.

In addition, the **Certified Leader-Coach Program™** fosters a coaching-based leadership culture by enabling senior leaders to build trust, encourage knowledge sharing, and drive sustainable performance improvement across teams.

F.2. Career Development Programme

The Group further supports continuous professional development through technical training programmes and certifications, including **ISO 9001:2015 Quality Management Systems Lead Auditor training** and the **People Managers' Toolkit programme**. These initiatives strengthen technical competencies, enhance operational knowledge, and ensure alignment with international quality and regulatory standards.

F.3. Incentives Supporting Employee Development

To reinforce learning outcomes and employee engagement, Highnoon Group integrates training initiatives with performance-based incentives and recognition mechanisms. Employees benefit from structured performance evaluations, quarterly bonuses linked to key performance indicators, and profit-sharing through the Workers' Profit Participation Fund (WPPF). High-performing employees are recognized through promotions, expanded responsibilities, and formal appreciation, fostering a culture of meritocracy and continuous improvement.

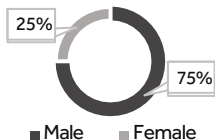
Through this integrated approach, the Group aims to build a capable, motivated, and future-ready workforce that supports innovation, strengthens institutional knowledge, and contributes to the organization's long-term sustainability.

F.4. Targets

During the reporting period, the Group focused on establishing baseline learning and development metrics; formal medium and long-term training targets are expected to be developed as internal monitoring practices mature.

Learning and Development Metrics	2025
Total Training Hours	3,914
Average training hours per employee	1.53

Training attendees by gender



G. Employee Health and Safety

Highnoon Group prioritizes strong occupational health and safety practices as part of responsible corporate conduct, and aligned with internationally recognized standards, including **ISO 45001**, and is supported by structured policies, standard operating procedures, and periodic risk assessments. In 2025, the Group recorded a **total recordable injury rate** (TRIR) of **0.2 per 200,000 hours** worked, based on internally tracked incident data.

G.1. Hazard Identification and Monitoring

The Group follows structured hazard identification, risk assessment and incident investigation procedures to mitigate exposure to chemical, mechanical, ergonomic, and environmental risks. This is supported by formal corrective action tracking to minimize recurrence and strengthen operational controls. In parallel, medical surveillance programs and periodic health assessments are conducted to promote employee well-being and enable early identification of occupational health risks.

G.2. Safety Training and Employee Awareness

Training and awareness are central components of Highnoon Group's OHS approach. Employees receive regular safety briefings, emergency response training, fire drills, and personal protective equipment (PPE) usage guidance tailored to their functional exposure, to strengthen compliance and ensure effective utilization of protective measures.

Workplace Safety Commitment

Achieving zero work-related injuries by 2027, reflecting its commitment to fostering a strong culture of safety and accountability across the organization.

H. Access to Medicines

Access to safe, effective, and affordable medicines remains a key global health priority, particularly in developing countries facing healthcare capacity and affordability challenges. Highnoon Group supports improved access to essential medicines through responsible business practices, healthcare initiatives, and partnerships with healthcare institutions.

H.1. Judgements and Measurement Uncertainty

During the reporting year, the Group's medicines supported the treatment of approximately 5 million patients across the globe. Patient reach estimates are derived from internal sales data and average treatment assumptions for relevant therapeutic products.

H.2. Initiatives Supporting Priority Diseases

During the reporting period, Highnoon Group implemented initiatives to improve access to treatment for priority diseases identified in the Access to Medicine Index, including supplying **Deferiprone (Feripro)** for thalassemia patients through partnerships with the Thalassemia Society of Pakistan and the Ministry of Health's Thalassemia Unit in Sri Lanka. The Group also conducted healthcare awareness and medical training programmes targeting infectious diseases, with hands-on training under the **"Merzel: Empowering Care"** programme to strengthen clinical skills and treatment practices. In parallel, it promoted responsible antibiotic use through initiatives such as **"Keep Antibiotics Working"** and **Infection Prevention and Control (IPC)**, educating healthcare professionals on appropriate prescribing and infection control to combat antimicrobial resistance and enhance patient safety.

I. Affordability and Pricing

Highnoon Group is committed to improving patient access to essential medicines by balancing affordability with quality and sustainability. Through responsible, value-based pricing, broad distribution networks, strategic partnerships, and targeted programs in low-resource settings, the Group ensures availability of high-quality therapies while addressing unmet medical needs. Leveraging scientific expertise, advanced manufacturing, and strong quality assurance systems, it maintains operational efficiency, enhances product safety, and adapts market access strategies to evolving healthcare and regulatory requirements, reinforcing its contribution to public health and community well-being.

Metric	Highnoon Laboratories Limited		Curexa Health Private Limited
	Local	Export	Local and Export
Weighted Average List Price Change	15.16%	25.25%	-10%
Weighted Average Net Price Change	15.15%	25.25%	28%

Metric	Products	Percentage Change
Highest List and Net Price Change	DIAJARD 10 MG TABLET	33%*
	DIAJARD-MXR 5/1000 MG TABLET	
	DIAJARD-M 5/500 MG TABLET	
	DIAJARD FORTE XR 10/5/1000 MG TABLET	
	DIAJARD-L 5/10 MG TABLET	

**Note: The reported value is exclusive of export prices, which have been excluded due to commercial sensitivity considerations.*

J. Business Ethics

The Group recognizes ethical engagement with healthcare professionals as essential to maintaining patient trust, ensuring responsible promotion of medicines, and complying with regulatory requirements. All interactions are conducted in line with the **Drug Regulatory Authority of Pakistan (DRAP) Ethical Marketing Rules**, promoting transparency, professionalism, and the independence of medical decision-making. Robust internal oversight mechanisms, including the Medical Affairs review of promotional materials, ensure scientific accuracy, regulatory compliance, and alignment with ethical standards. During the reporting period, no incidents of bribery, corruption, or healthcare fraud were recorded, reflecting the Group's strong commitment to integrity, stakeholder trust, and sustainable business practices.

J.1. Commitment to Ethical Business Practices

By adhering to regulatory frameworks governing healthcare professional engagement, maintaining internal review mechanisms, and promoting a culture of compliance, the Group seeks to uphold high standards of integrity across its operations. These practices contribute to responsible industry conduct, reinforce trust among healthcare professionals and regulators, and support the Group's broader commitment to ethical and sustainable business practices.

K. Ethical Marketing

Highnoon Group recognizes ethical marketing as critical to regulatory compliance, patient safety, and ensuring healthcare professionals receive accurate and balanced scientific information. The promotion of prescription medicines is guided by principles of integrity, transparency, and scientific accuracy to support responsible communication and informed clinical decision-making while mitigating risks associated with misleading claims or off-label promotion.

The Group maintains a structured governance framework, including oversight by Medical Affairs, Quality Assurance, and Compliance functions, to ensure alignment with international standards. It adheres to the **International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) Code of Practice (2019)** and implements internal controls such as a **Promotional Material SOP** for review and approval of marketing communications. These mechanisms, supported by periodic training, ensure that all promotional content is scientifically accurate, compliant with regulatory requirements, aligned with approved product labeling, and free from misleading or unsubstantiated claims.

K.1. Legal Compliance and Commitment to Responsible Promotion

During the reporting period, the Group did not record any monetary losses, regulatory actions, or legal proceedings related to misleading promotional practices. By aligning with international codes, maintaining robust internal review mechanisms, and ensuring compliance with approved product information, the Group upholds integrity and promotes transparent communication with healthcare professionals, regulators, and patients.

L. Drug Safety and Pharmacovigilance

Highnoon Group recognizes drug safety as a critical responsibility across the lifecycle of its pharmaceutical products. The Group maintains structured pharmacovigilance systems managed through its Quality Assurance and regulatory compliance functions to continuously monitor product safety after market release, ensuring patient safety. During the reporting period, ongoing safety monitoring and periodic reviews of pharmacovigilance data did not identify any material product safety signals. Additionally, **no fatalities** were reported in 2025, reflecting the effectiveness of the Group's patient safety monitoring, quality controls, and risk management systems.

L.1. End-of-Life Product Management

During the year, approximately 0.62 metric tons of expired medicines were collected through take-back processes and disposed of through controlled incineration by qualified waste management facilities to prevent environmental contamination and unauthorised re-entry into the supply chain.

At present, a comprehensive centralised record of all expired products across operations is not fully maintained. However, the Group intends to strengthen its waste tracking systems in the coming years to ensure more systematic monitoring and reporting of expired pharmaceutical products as part of its ongoing commitment to responsible product lifecycle management and continuous improvement.

L.2. Good Manufacturing Practices (GMP) and Commitment to Patient Safety

Compliance with Good Manufacturing Practices (GMP) remains central to ensuring product quality, safety, and regulatory compliance. During the reporting period, no enforcement actions were taken against the Group for GMP violations, and inspections conducted by the DRAP confirmed compliance with applicable regulatory requirements. Through continuous adherence to GMP standards, and robust quality management systems, the Group reinforces its commitment to maintaining high product quality and safeguarding patient safety across its pharmaceutical operations.

M. Counterfeit Drug Prevention and Traceability

Highnoon Group prioritizes product authenticity and traceability across its pharmaceutical supply chain to safeguard patient health and maintain the integrity of its medicines. The Group implements operational controls and technology-enabled systems, including QR codes, ERP-based tracking, batch documentation, Batch Manufacturing Records (BMRs), and secure packaging features such as authentication markings and tamper-evident closures. These measures enable batch-level traceability, support product verification, and mitigate counterfeit risks, while ongoing efforts to adopt DRAP-aligned serialization practices further strengthen supply chain transparency.

Potential counterfeit risks are monitored through structured quality management and pharmacovigilance systems. The Group identifies suspected cases through multiple channels, including customer complaints, feedback from distribution networks, reports from healthcare providers or retailers, regulatory inspections, and internal quality investigations. All cases are assessed through established procedures to evaluate risks to product integrity and patient safety, supported by timely stakeholder communication and guidance to procure medicines through authorized channels.

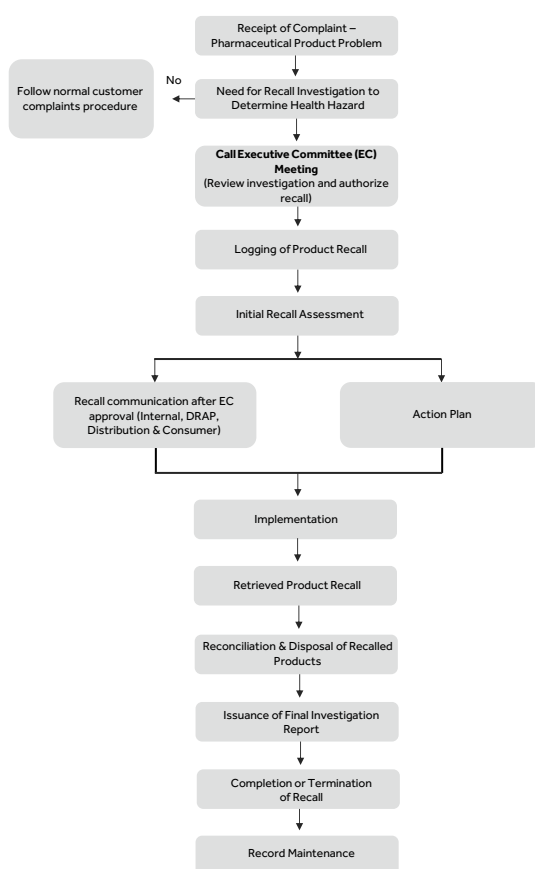
In cases where counterfeit risks are confirmed or cannot be ruled out, the Group activates product recall procedures in line with regulatory requirements. During the 2025 reporting period, no products were declared counterfeit by regulatory authorities, and no enforcement actions such as raids, seizures, or legal proceedings were recorded.

M.1. Supply Chain Integrity

The Group continues to strengthen supply chain integrity through enhanced traceability systems, secure logistics monitoring, and collaboration with supply chain partners. By promoting procurement through authorized channels, maintaining accurate documentation, and continuously improving monitoring systems, Highnoon Group aims to mitigate counterfeit risks, ensure product safety, and uphold stakeholder trust.

M.2. Product Recall Mechanism

Product recalls represent an important risk management mechanism in the pharmaceutical industry. During the reporting period, no product recalls were issued for medicines manufactured by the Group. To maintain operational readiness, the Group conducts annual mock recall exercises to test traceability systems, documentation procedures, and overall recall response capabilities, enabling management to identify opportunities for system improvements. The product recall mechanism of the Group is outlined below:



N. Supply Chain Management

Highnoon Group conducts audits of Tier-1 suppliers as part of its supplier quality assurance framework. Supplier audits are conducted using a risk-based approach with defined audit cycles. These audits are primarily carried out by Quality Assurance (QA) team, enabling the Group to evaluate supplier compliance with quality standards, and regulatory requirements. In addition to this, the Group's own manufacturing facilities are also subject to a range of third-party and regulatory audit programs designed to ensure supply chain integrity and product quality. These audit mechanisms include Good Manufacturing Practice (GMP) and Good Practice (GxP) inspections conducted by the Drug Regulatory Authority of Pakistan (DRAP), internationally recognized ISO certification audits, and independent third-party GMP assessments.

Additional external oversight is provided through certifications and accreditations issued by recognized bodies such as DML, ExPhar, and PNAC, as well as ISO/IEC laboratory accreditation standards.

N.1. Commitment to Responsible Supply Chain Management

Through regulatory inspections, internationally recognized certifications, and independent third-party audits, the Group seeks to maintain high standards of supply chain quality and manufacturing integrity. The Group remains committed to strengthening supply chain governance and enhancing transparency across its supplier network in order to support product quality, regulatory compliance, and long-term operational resilience.



100%

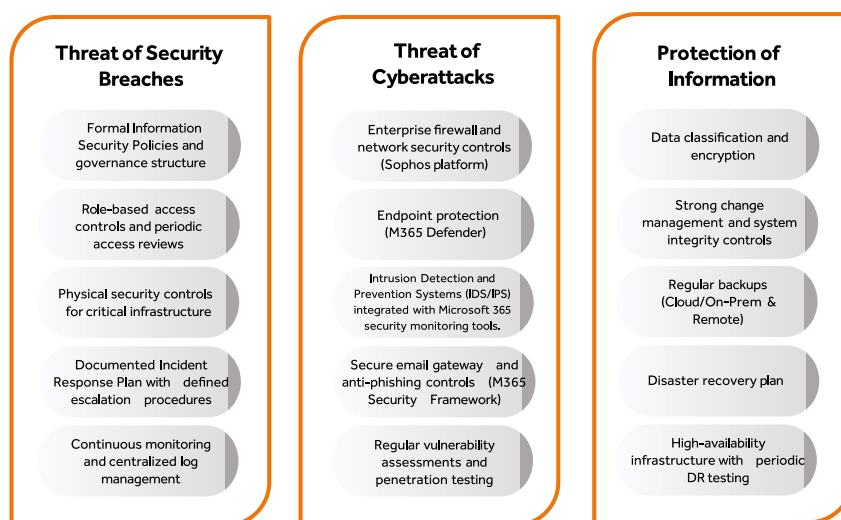
During the year, 100 % of the Highnoon Group facilities participated in audit programmes for integrity of supply chain and ingredients

O. Cybersecurity and Data Privacy

With increasing reliance on digital systems, the Group prioritizes the protection of information assets and personal data to mitigate cybersecurity and data privacy risks. Robust cybersecurity controls support business continuity, reduce operational disruptions, and ensure reliable operations.

The Group manages data security risks through a structured, risk-based approach aligned with recognized information security frameworks and regulatory requirements. The Group has implemented a layered cybersecurity framework combining

administrative, technical, and operational controls designed to protect information assets and maintain system integrity. The effectiveness of cybersecurity and data privacy controls is evaluated through continuous monitoring, periodic internal reviews, and structured governance oversight. Key control mechanisms include:



O.1. Governance Oversight

Cybersecurity and data privacy risks are managed through a structured governance framework with oversight at both management and Board levels. Operational monitoring is conducted by the IT Infrastructure team, with findings reviewed by the IT Steering Committee to assess risks and control effectiveness. At the governance level, these risks are overseen by the Board through the Audit/Risk Committee as part of the enterprise risk management framework. Cybersecurity updates are provided quarterly, with immediate escalation in the event of significant incidents or emerging high-risk threats.

O.2. Future Commitments

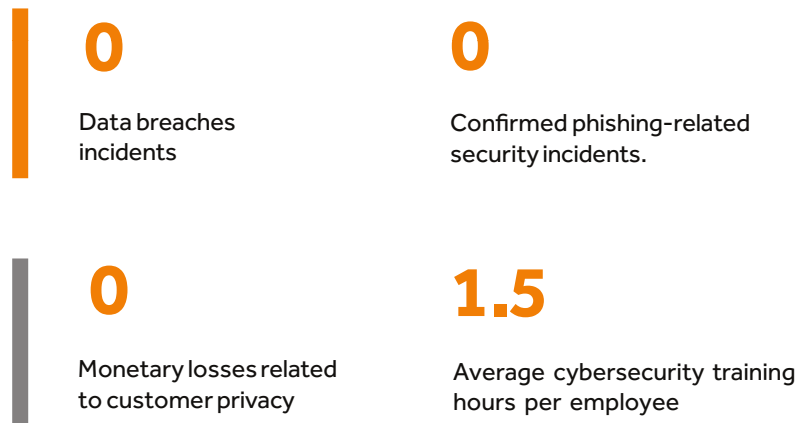
Highnoon Group continues to strengthen its cybersecurity and data privacy framework to address evolving digital risks and emerging technological developments. The Group plans to enhance its threat detection capabilities and further strengthen cloud and endpoint security as digital infrastructure expands.

Future initiatives include:

- Gradual transitioning of core systems to secure cloud environments

- Implementation of enhanced data protection technologies such as Data Loss Prevention (DLP)
- Strengthening encryption mechanisms for sensitive information

The Group also intends to increase the frequency of security risk assessments and penetration testing, expand employee cybersecurity awareness programs, and reinforce disaster recovery and third-party risk management practices. These initiatives aim to support a proactive and resilient cybersecurity posture aligned with evolving regulatory requirements and industry best practices.



ESG Guidelines

Highnoon Group has voluntarily aligned its disclosures with the ESG Disclosure Guidelines (aligned with Pakistan Green Taxonomy) issued by the Securities and Exchange Commission of Pakistan (SECP), ahead of their mandatory application from June 2029. These guidelines establish a standardized framework for identifying, managing, and disclosing material environmental, social, and governance risks and opportunities, thereby enhancing transparency, strengthening governance practices, and supporting informed decision-making for stakeholders.

Environment Metrics

Metric	Key ESG Performance Indicators	Note
GHG Emissions	Total amount of Carbon and Green House Gas emissions in metric tons	Refer to GHG Emission section (Sec. no. 7.2A)
	Total amount, in CO ₂ equivalents, for Scope 1, Scope 2 and Scope 3 (if applicable)	Refer to GHG Emission section (Sec. no. 7.2A)
Emissions Intensity	Total GHG emissions per output scaling factor (e.g. revenues, sales, units produced)	Refer to GHG Emission section (Sec. no. 7.2A)
	Total non-GHG emissions per output scaling factor	Not reported
Energy Usage	Total amount of energy directly consumed	Refer to Energy section (Sec. no. 7.2A)
	Total amount of energy indirectly consumed	Refer to Energy section (Sec. no. 7.2A)
Energy Intensity	Total direct energy usage per output scaling factor	Refer to Energy section (Sec. no. 7.2A)
Energy Mix	Percentage: Energy usage by generation type	Refer to Energy section (Sec. no. 7.2A)
	Disclose the energy consumption from renewable sources as a percentage of total energy consumption	Refer to Energy section (Sec. no. 7.2A)
Water Usage	Total amount of water consumed	Refer to Water section (Sec. no. 7.2C)
	Total amount of water reclaimed	Refer to Water section (Sec. no. 7.2C)

Environment Metrics

Environmental Operations	Does your company follow a formal Environmental Policy?	Yes
	Does your company follow specific waste, water, energy, and/or recycling policies?	Yes
	Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period	Refer to Waste section (Sec. no. 7.2B)
	Does your company use a recognized energy management system?	An energy analyzer has been installed that monitors energy consumption at main supply and distribution panel. This enables tracking of energy sourced from solar, on-site generators, and electricity supplied by WAPDA. At present, the monitoring system has not undergone verification or certification by an accredited third-party body.
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate related risks?	Yes
	Does your Board/Management Team oversee and/or manage other sustainability issues?	Yes
Sustainable Sourcing	Does your company have a policy and procedures in place for sustainable sourcing?	Yes
Climate Risk Mitigation and Adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices	Refer to Strategy section (4.1 to 4.14), 7.1C & 7.1D

Social Metrics

Metric	Key ESG Performance Indicators	Metric
CEO Pay Ratio	CEO total compensation to median Full-time Equivalent (FTE) total compensation	Not reported
	Does your company report this metric in regulatory filings?	Not reported
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	Refer to corporate governance section
	Percentage: Year-over-year change for full-time employees	Not applicable, since it is the first year of reporting
Employee Turnover	Percentage: Year-over-year change for part-time employees	Not applicable, since it is the first year of reporting
	Percentage: Year-over-year change for contractors and/or consultants	Not applicable, since it is the first year of reporting
	Percentage: Total enterprise headcount held by men and women	Male: 94%, Female: 6%
Gender Diversity	Percentage: Entry- and mid-level positions held by men and women	Entry-level: Male: 96%, Female: 4% Mid-level: Male: 91%, Female: 9%
	Percentage: Senior- and executive-level positions held by men and women	Male: 91%, Female: 9%
Temporary Worker Ratio	Percentage: Total enterprise headcount held by part-time employees	Zero
	Percentage: Total enterprise headcount held by contractors and/or consultants	Zero
	Does your company have a sexual harassment and/or nondiscrimination, diversity, inclusion policy?	Yes
Non-Discrimination	Is there a confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence?	Yes
	Percentage: differently abled Women and men in the workforce	Male: 82%, Female: 18%
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy?	Yes
Child & Forced Labor	Does your company follow a child and/or forced labor policy?	Yes
	If yes, does your child and/or forced labor policy also cover suppliers and vendors?	Yes
Corporate Social Responsibility	List of CSR activities undertaken, total time spent, and amounts allocated (Rs.)	Refer to a year of enriching life section
Employee training and Succession Planning	Number of training sessions held on the following. Also mention the Number of employees and workers trained in these: - Skill Upgradation - Soft Skills - Health and Safety Measures	Skill Upgradation: No. of sessions: 78, No. of employees trained: 1,130 Soft Skills: No. of sessions: 33, No. of employees trained: 336 Health and Safety: No. of sessions: 51, No. of employees trained: 823
	Percentage: Women and men promoted during the year	Male: 93%, Female: 7%

Social Metrics

Human Rights	Does your company follow a human rights policy?	Yes
	If yes, does your human rights policy also cover suppliers and vendors?	Yes
	No. of complaints made by employees regarding working conditions	Zero
Working Conditions	Number of complaints regarding working conditions resolved	N/A
	Percentage: Frequency of injury events relative to total workforce time	0.0001%
Injury Rate	Number of safety-related incidents during the reporting year and Number of lost production hours as a result	2 Safety incidents and zero lost hours

Governance Metrics

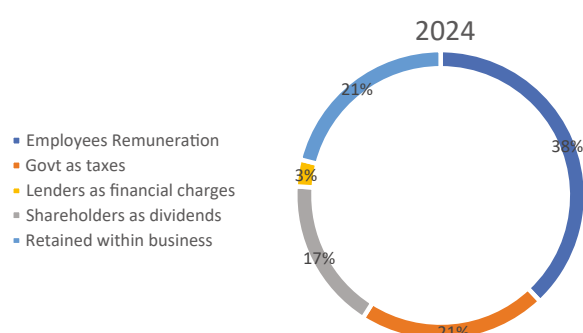
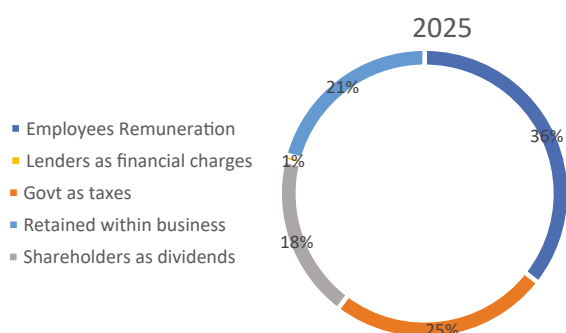
Metric	Key ESG Performance Indicators	Metric
Board Diversity	Percentage: Total board seats occupied by men and women	Men: 85.71%, Women: 14.29%
	Percentage: Committee chairs occupied by men and women	Men: 80%, Women: 20%
Board Independence	Does company prohibit CEO from serving as board chair?	Yes
	Number of independent directors:	2
Incentivized Pay	Are executives formally incentivised to perform on sustainability?	No
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
Supplier Code of Conduct	Are your vendors or suppliers required to follow a Code of Conduct?	Yes
	If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
Ethics & Anti-Corruption	Does your company follow an Ethics and/or Anti-Corruption policy?	Yes
	If yes, what percentage of your workforce has formally certified its compliance with the policy?	More than 90%
Data Privacy	Does your company follow a Data Privacy policy?	Yes
	Has your company taken steps to comply with general data protection rules/framework?	Yes
Sustainability Reporting Disclosure Practices	Does your company publish a sustainability report?	Yes
	Is sustainability data included in your regulatory filings?	Yes
	Does your company provide sustainability data in line with any sustainability reporting frameworks?	Yes
	Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes
	Does your company set targets and report progress on the UN SDGs?	Yes
External Assurance	Are your sustainability disclosures assured or validated by a third party?	No



Financial Analysis

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2025 Rs. in 000	2024 Rs. in 000
Value Added		
Sales	25,789,242	23,195,152
Material & Services (COS+All Operating Cost Less Cost Explicitly Mentioned Below)	14,726,249	13,982,909
Other Income	446,674	432,259
	11,509,666	9,644,502
Distribution		
Employees		
Salaries Wages & Benefits	3,739,726	3,441,351
Workers Profit Participation Fund	357,829	259,133
	4,097,555	3,700,484
Government		
Income Tax	2,464,734	1,585,958
Sales Tax	160,195	331,939
Central Research Fund	71,566	50,367
Workers Welfare Fund	143,131	84,067
	2,839,626	2,052,331
Society		
Donation(Admin Exp)	1,033	3,613
Provider of Finances		
To Shareholder as Cash dividend-(Last Year dividend payment)	2,119,335	1,589,501
To Banks as financial charges (Markup on LT,ST Loans & Bank Charges)	79,302	324,167
	2,198,636	1,913,668
Retained in Business		
Depreciation and amortization	372,838	310,406
Retained Profit	1,999,978	1,664,000
	2,372,816	1,974,406
	11,509,666	9,644,502

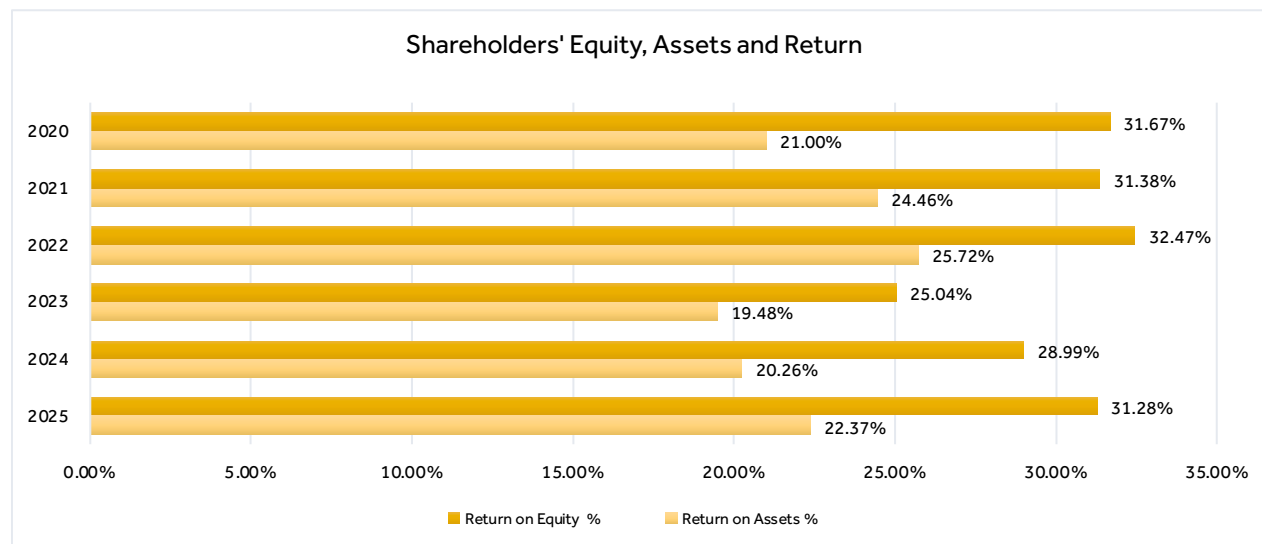
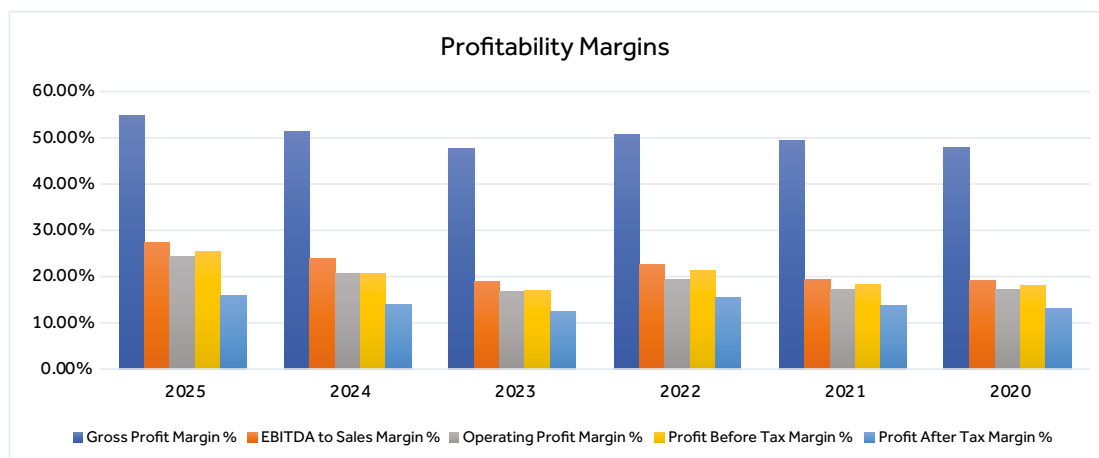


SIX YEARS AT A GLANCE

	2025	2024	2023	2022	2021	2020
	Rupees in ('000')					
Summary of Balance Sheet						
Share Capital	529,834	529,834	529,834	418,841	380,764	346,149
Reserves	12,640,174	10,691,332	9,066,866	7,026,396	5,381,858	4,140,050
Operating Fixed Assets	3,719,579	3,346,875	3,516,226	2,058,612	1,516,181	1,456,763
Non Current Assets	882,262	335,683	312,459	351,318	321,006	290,627
Current Assets	13,811,353	12,379,734	10,197,147	8,230,171	6,315,231	4,879,193
Current Liabilities	4,510,336	3,840,387	2,874,893	2,439,744	1,713,151	1,291,099
Net Working Capital(CA-CL)	9,301,017	8,539,347	7,322,253	5,790,427	4,602,081	3,588,094
Non-current Liabilities	732,851	1,000,739	1,554,239	755,121	676,645	856,580
Summary of Profit and Loss Account						
Sales - Net	25,789,242	23,195,152	19,424,255	15,815,937	13,000,780	10,697,634
Gross Profit	14,126,889	11,929,615	9,254,464	8,030,084	6,415,593	5,121,176
Earning Before Interest, Tax, Depreciation (EBITDA)	7,078,386	5,543,758	3,685,295	3,589,462	2,538,619	2,076,388
Operating Profit	6,258,875	4,801,093	3,253,599	3,094,917	2,245,423	1,842,161
Profit Before Tax	6,584,046	4,839,459	3,302,585	3,345,504	2,372,144	1,921,732
Net Profit After Tax	4,119,313	3,253,501	2,403,014	2,417,172	1,808,032	1,420,736
Summary of Cash Flow Statement						
Net Cash Flow from Operating Activities	2,078,623	4,243,694	1,695,172	(487,186)	1,733,087	1,333,188
Net Cash Flow from Investing Activities	288,123	(1,286,848)	(1,268,840)	346,712	(1,033,416)	(1,290,307)
Net Cash Flow from Financing Acitivities	(2,607,156)	(2,288,082)	(208,707)	(851,462)	(712,080)	(79,321)
Changes in Cash and Cash Equivalents	(240,410)	668,763	217,624	(986,955)	(11,148)	(35,698)
Cash and Cash Equivalents at Year End	468,796	709,207	40,444	(174,947)	812,049	823,198
Financial Performance/Profitability Analysis						
Sales Growth	11.18%	19.41%	22.81%	21.65%	21.53%	18.24%
Gross Profit Margin	54.78%	51.43%	47.64%	50.77%	49.35%	47.87%
EBITDA to Sales Margin	27.45%	23.90%	18.97%	22.70%	19.53%	19.41%
Operating Profit Margin	24.27%	20.70%	16.75%	19.57%	17.27%	17.22%
Profit Before Tax Margin	25.53%	20.86%	17.00%	21.15%	18.25%	17.96%
Profit After Tax Margin	15.97%	14.03%	12.37%	15.28%	13.91%	13.28%
Return on Equity	31.28%	28.99%	25.04%	32.47%	31.38%	31.67%
Return on Capital Employed	48.23%	42.82%	30.84%	41.46%	37.40%	36.4%
Operating Performance/Liquidity Analysis						
Inventory Turnover	Days	144	143	169	140	128
Debtors Turnover	Days	46	35	32.4	23.4	14.3
Creditors Turnover	Days	88	76	64.9	62.9	51.5
Cash Operating Cycle	Days	103	102	136.1	104.7	97.9
Assets Turnover Ratio	Times	1.40	1.44	1.57	1.68	1.61
Return on Assets	%	22%	20%	19%	26%	21%
Current Ratio	Times	3.06	3.22	3.55	3.37	3.69
Quick Ratio	Times	1.93	2.15	1.91	1.80	2.33

SIX YEARS AT A GLANCE

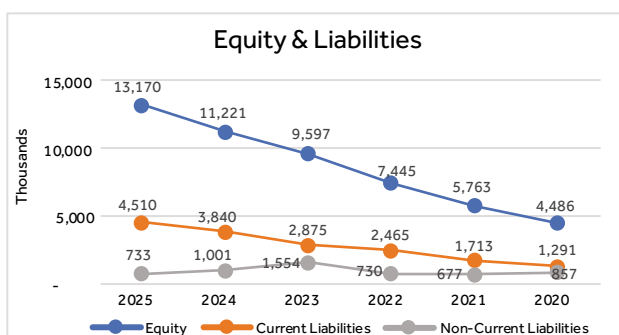
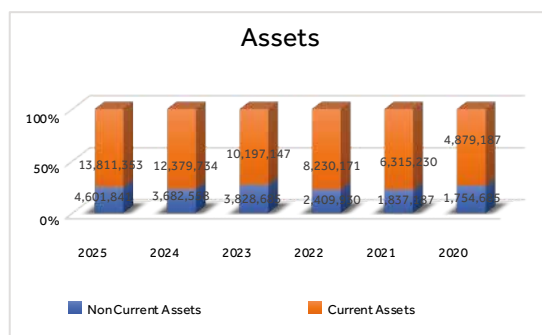
		2025	2024	2023	2022	2021	2020
Rupees in ('000')							
Distribution Analysis							
Pay out-Proposed							
Cash Dividend per share	Rs.	50.00	40.00	30.00	20.00	20.00	15.00
Bonus	%	-	-	15.00	10.00	10.00	10.00
Payout Ratio (after tax)	%	64.31	65.14	66.15	34.66	42.12	36.55
Dividend Yield	%	4.89	4.36	3.96	3.70	3.19	2.50
Earnings Per Share (after tax)	Rs./share	77.75	61.41	45.35	45.62	43.17	37.31
Price Earning Ratio	Times	13.15	14.95	11.13	9.36	14.52	16.05
Number of Shares	(in Millions)	52.98	52.98	52.98	41.88	38.08	34.61
Break-up Value of Share(Including surplus on Revaluation)	Rs.	248.57	211.79	181.13	177.76	151.34	129.60
Market Value of Share							
Year End	Rs.	1,022	918	505	540	627	599
Highest	Rs.	1,224	1,000	567	615	680	650
Lowest	Rs.	793	500	328	496	580	408
Market Capitalization	(in Millions)	54,175	48,650	26,735	22,617	23,874	20,734



HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

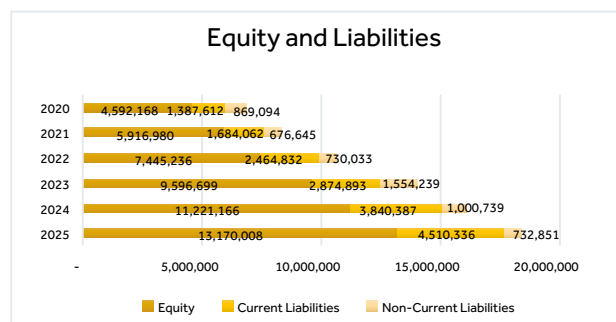
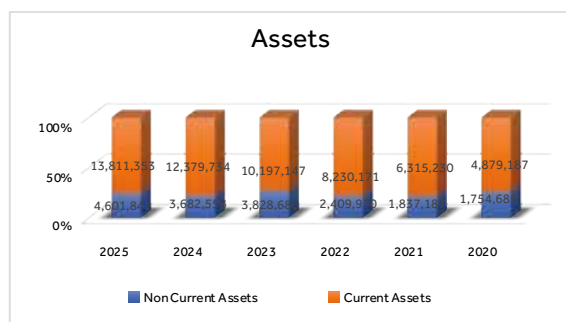
	2025		2024		2023		2022		2021		2020	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
Summary of Balance Sheet												
Share Capital	529,834	0%	529,834	0%	529,834	26%	418,841	10%	380,764	10%	346,149	10%
Revenue Reserves	11,798,169	20%	9,825,907	20%	8,167,526	23%	6,659,682	33%	4,990,532	33.9%	3,726,121	34.5%
Surplus on Revaluation of fixed Assets	842,005	-3%	865,425	-4%	899,339	145%	366,714	-6%	391,326	-5.5%	413,929	16.2%
	13,170,008	17%	11,221,166	17%	9,596,699	29%	7,445,236	29%	5,762,622	28%	4,486,199	30%
Non Current Liabilities												
Long term loan - secured	2,423	-99%	318,820	-51%	647,716	4095%	15,439	0%	-	-100%	165,410	100%
Long term lease liabilities	380,822	444%	70,063	-73%	255,017	39%	183,934	54%	119,758	-8%	129,566	112%
Long term advances	-	0%	-	0%	-	0%	-	-100%	10,240	-69%	33,267	20%
Deferred Tax Liabilities	204,352	-2%	208,064	70%	122,735	0%	-	0%	-	0%	-	0%
Deferred liabilities	145,254	-64%	403,793	-24%	528,771	0%	530,660	-3%	546,646	3%	528,330	26%
Total Non Current Liabilities	732,851	-27%	1,000,739	-36%	1,554,239	113%	730,033	8%	676,644	-21%	856,573	69%
Current Liabilities												
Trade & Other Payables	2,983,181	14%	2,621,068	27%	2,055,833	32%	1,561,824	32%	1,179,435	74%	679,007	14%
Unclaimed Dividend	304,560	45%	210,194	52%	138,561	40%	98,853	54%	64,337	45%	44,471	46%
Unpaid Dividend	-	0%	-	-100%	111,300	75%	63,475	0%	-	0%	-	0%
Provision for Taxation	876,943	0%	-	0%	-	-100%	124,622	-39%	205,243	-31%	296,237	854%
Current Portion of Long Term Liabilities	117,974	-40%	196,306	-43%	342,116	331%	79,289	-66%	230,887	19%	194,533	836%
Contract Liabilities	227,678	262%	62,819	-1%	63,189	-13%	72,264	117%	33,249	-57%	76,852	100%
Short - term borrowings	-	-100%	750,000	358%	163,894	-65%	464,505	0%	-	0%	-	0%
Total Current Liabilities	4,510,336	17%	3,840,387	34%	2,874,893	17%	2,464,831	44%	1,713,151	33%	1,291,100	
Total Equity And Liabilities	18,413,195	15%	16,062,292	15%	14,025,831	32%	10,640,101	31%	8,152,417	50%	6,633,872	43%
Non Current Assets												
Property, plant and equipments	3,719,579	11%	3,346,875	-5%	3,516,226	71%	2,058,612	36%	1,516,181	4%	1,456,763	30%
Intangible assets	37,852	-19%	46,867	45%	32,286	-10%	35,835	69%	21,189	100%	-	0%
Long Term Investment	325,000	63%	200,000	0%	200,000	0%	200,000	0%	200,000	0%	200,000	0%
Long Term deposits	81,589	227%	24,917	4%	23,943	-50%	48,177	321%	11,443	-47%	21,443	1%
Long Term advances	437,822	585%	63,900	14%	56,230	72%	32,774	-6%	34,787	-7%	37,353	35%
Deferred tax asset	-	0%	-	0%	-	-100%	34,531	-36%	53,587	37%	39,126	79%
Total Non Current Assets	4,601,841	25%	3,682,558	-4%	3,828,685	59%	2,409,930	31%	1,837,187	5%	1,754,685	26%
Current Assets												
Stock In Trade	5,088,464	23%	4,135,825	-12%	4,713,751	23%	3,835,095	66%	2,315,936	10%	2,106,011	18%
Trade Receivables	4,207,369	82%	2,311,740	9%	2,120,419	59%	1,330,337	92%	694,687	115%	322,554	-18%
Advances, trade deposits and prepayments	625,623	17%	535,985	-7%	575,539	-41%	971,808	165%	366,761	-22%	467,924	
Other Receivables	224,606	51%	148,511	21%	122,545	287%	31,698	18%	26,860	-26%	36,520	1016%
Loan to Subsidiary	-	0%	-	-100%	10,000	0%	10,000	0%	10,000	0%	10,000	0%
Short Term Investment	3,059,623	-16%	3,638,851	68%	2,168,794	62%	1,338,887	-35%	2,059,740	88%	1,093,846	35106%
Tax Refunds due from Government	136,873	-9%	149,615	-47%	281,760	-34%	425,022	1356%	29,197	53%	19,135	100%
Cash & Bank Balances	468,796	-68%	1,459,207	614%	204,338	-29%	287,324	-65%	812,049	-1%	823,197	-4%
Total Current Assets	13,811,353	12%	12,379,734	21%	10,197,146	24%	8,230,171	30%	6,315,230	29%	4,879,187	51%
Total Assets	18,413,195	15%	16,062,292	15%	14,025,831	32%	10,640,101	31%	8,152,417	23%	6,633,872	



VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

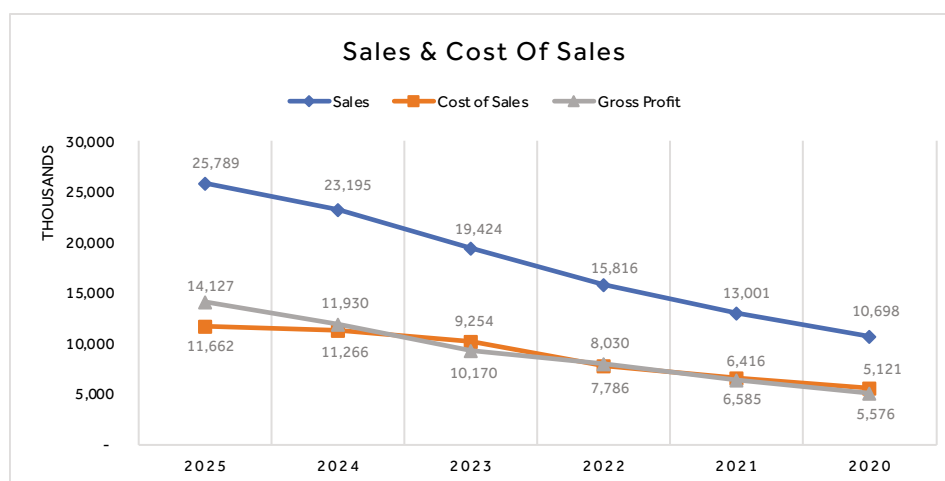
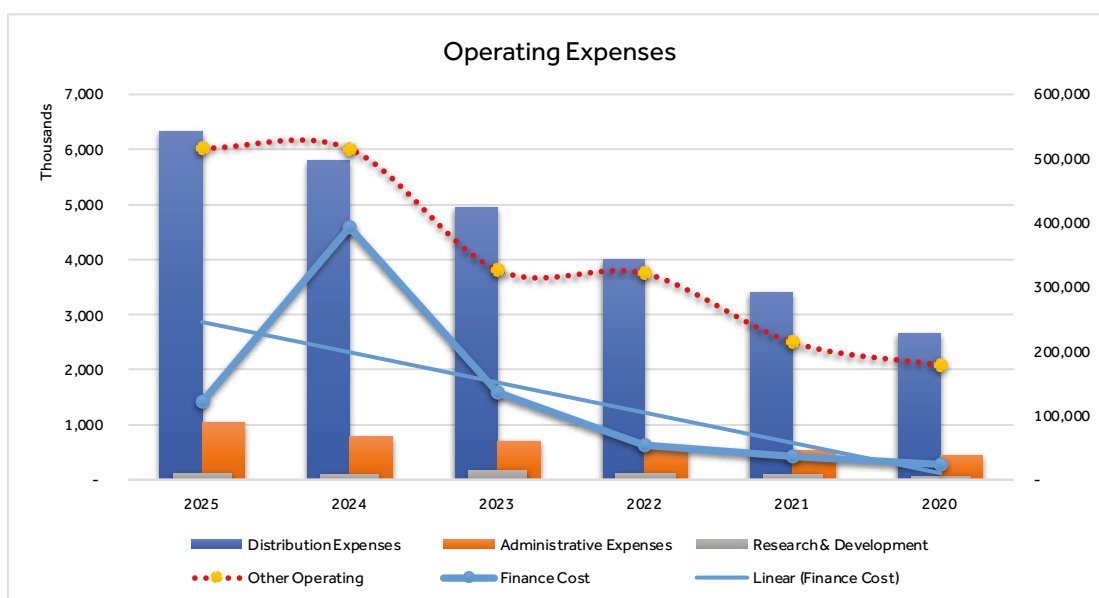
	2025		2024		2023		2022		2021		2020	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
Share Capital	529,834	3%	529,834	3%	529,834	4%	418,841	3.9%	380,764	4.7%	346,149	5.2%
Revenue Reserves	11,798,169	64%	9,825,907	61%	8,167,526	58%	6,659,682	62.6%	4,990,532	61.2%	3,726,121	56.2%
Surplus on Revaluation of fixed Assets	842,005	5%	865,425	5%	899,339	6%	366,714	3.4%	391,326	4.8%	413,929	6.2%
Total Share Capital And Reserves	13,170,008	72%	11,221,166	70%	9,596,699	68%	7,445,236	70.0%	5,762,622	70.7%	4,486,199	67.6%
Non Current Liabilities												
Long term loan - secured	2,423	0%	318,820	20%	647,716	5%	15,439	0.1%	-	0.0%	165,410	2.5%
Long term lease liabilities	380,822	2%	70,063	0%	255,017	2%	183,934	1.7%	119,758	1.5%	129,566	2.0%
Long term advances	-	0%	-	0%	-	0%	-	0.0%	10,240	0.1%	33,267	0.5%
Deferred tax Liabilities	204,352	1%	208,064	1%	122,735	1%	-	0.0%	-	0.0%	-	0.0%
Deferred liabilities	145,254	1%	403,793	3%	528,771	4%	530,660	5.0%	546,646	6.7%	528,338	8.0%
Total Non Current Liabilities	732,851	4%	1,000,739	6%	1,554,239	11%	730,033	7.1%	676,644	8.3%	856,580	12.9%
Current Liabilities												
Trade & Other Payables	2,983,181	16%	2,621,068	16%	2,055,833	15%	1,561,824	14.7%	1,179,435	14.5%	679,007	10.2%
Unclaimed Dividend	304,560	2%	210,194	13%	138,561	1%	98,853	0.9%	64,337	0.8%	44,471	0.7%
Unpaid Dividend	-	0%	-	0%	111,300	1%	63,475	0.6%	-	0.0%	-	0.0%
Provision for Taxation	876,943	5%	-	0%	-	0%	124,622	1.2%	205,243	2.5%	296,237	4.5%
Current Portion of Long Term Liabilities	117,974	1%	196,306	1%	342,116	2%	79,289	0.7%	230,887	2.8%	194,533	2.9%
Contract Liabilities	227,678	1%	62,819	%	63,189	0%	72,264	0.7%	33,249	0.4%	76,852	1.2%
Short - term borrowings	-	0%	750,000	5%	163,894	1%	464,505	4.4%	-	0.0%	-	0.0%
Total Current Liabilities	4,510,336	24%	3,840,387	24%	2,874,893	20%	2,464,831	23.2%	1,713,151	21.0%	1,291,100	19.5%
Total Equity And Liabilities	18,413,195	100%	16,062,292	100.0%	14,025,831	100.0%	10,640,101	100.0%	8,152,417	100.0%	6,633,879	100.0%
Property, plant and equipments	3,719,579	20%	3,346,875	21%	3,516,226	25%	2,058,612	19.3%	1,516,181	18.6%	1,456,765	22.0%
Intangible assets	37,852	0%	46,867	0%	32,286	0%	35,835	0.3%	21,189	0.3%	-	0.0%
Long Term Investment	325,000	2%	200,000	1%	200,000	1%	200,000	1.9%	200,000	2.5%	200,000	3.0%
Long Term deposits	81,589	0%	24,917	0%	23,943	0%	48,177	0.5%	11,443	0.1%	21,443	0.3%
Long Term advances	437,822	2%	63,900	0%	56,230	0%	32,774	0.3%	34,787	0.4%	37,353	0.6%
Deferred tax asset	-	0%	-	0.0%	-	0%	34,531	0.3%	53,587	0.7%	39,126	0.6%
Total Non Current Assets	4,601,841	25%	3,682,558	23%	3,828,685	27%	2,409,930	22.6%	1,837,187	22.5%	1,754,687	26.5%
Stock In Trade	5,088,464	28%	4,135,825	26%	4,713,751	34%	3,835,095	36%	2,315,936	28.4%	2,106,011	31.7%
Trade Receivables	4,207,369	23%	2,311,740	14%	2,120,419	15%	1,330,337	13%	694,687	8.5%	322,554	4.9%
Advances, trade deposits and prepayments	625,623	3%	535,985	3%	575,539	4%	971,808	9%	366,761	4.5%	467,924	0%
Other Receivables	224,606	1%	148,511	1%	122,545	1%	31,698	0%	26,860	0.3%	36,525	0.6%
Loan to Subsidiary	-	0%	-	0%	10,000	0%	10,000	0%	10,000	0.1%	10,000	0.2%
Short Term Investment	3,059,623	17%	3,638,851	23%	2,168,794	15%	1,338,887	13%	2,059,740	25.3%	1,093,846	16.5%
Tax Refunds due from Government	136,873	1%	149,615	1%	281,760	20%	425,022	4%	29,197	0.4%	19,135	0.3%
Cash & Bank Balances	468,796	3%	1,459,207	9%	204,338	1%	287,324	3%	812,049	10.0%	823,197	12.4%
Total Current Assets	13,811,353	75%	12,379,734	77%	10,197,147	73%	8,230,171	77%	6,315,230	77.5%	4,879,192	73.5%
Total Assets	18,413,195	100%	16,062,292	100.0%	14,025,831	100.0%	10,640,101	100%	8,152,417	100%	6,633,879	100%



HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

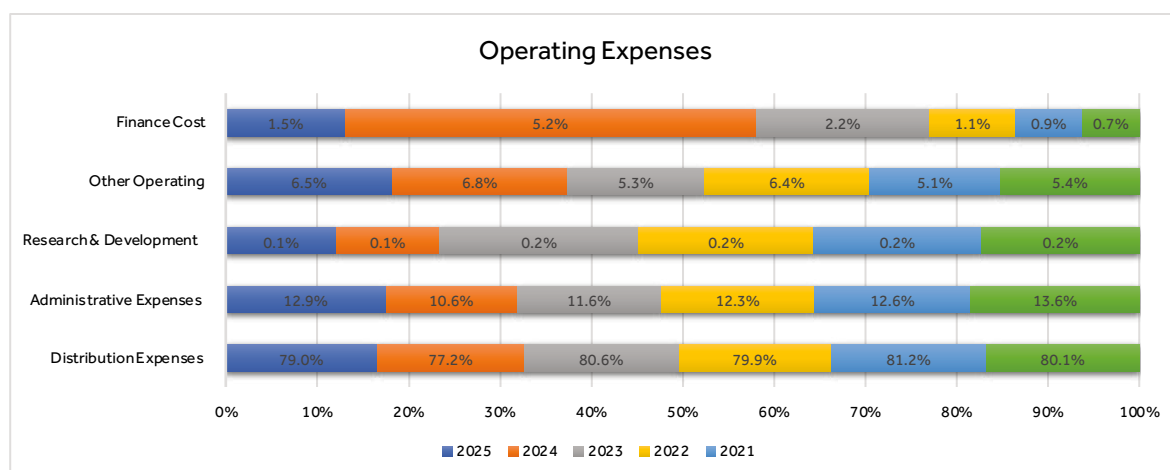
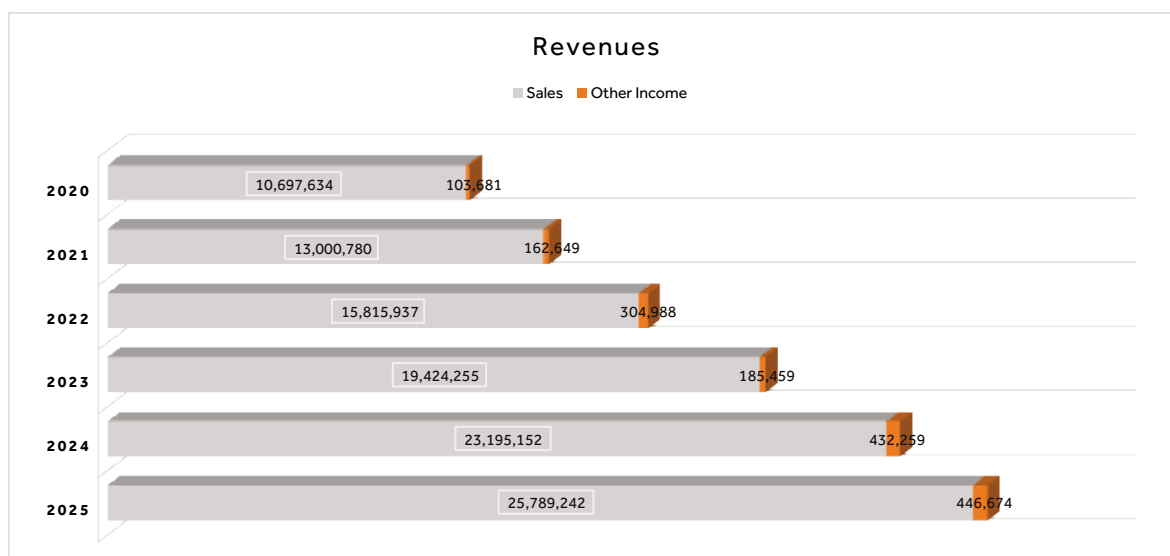
	2025		2024		2023		2022		2021		2020	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
Sales-Net	25,789,242	11.2%	23,195,152	19.4%	19,424,255	22.8%	15,815,937	21.7%	13,000,780	21.5%	10,697,634	18.2%
Cost of Sales	11,662,352	3.5%	11,265,537	10.8%	10,169,790	30.6%	7,785,853	18.2%	6,585,187	18.1%	5,576,458	14.1%
Gross Profit	14,126,889	18.4%	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%
Distribution, Selling & Promotional Expenses	6,311,931	8.7%	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%
Admin & General Expenses	1,028,847	29.2%	796,247	11.6%	713,348	16.1%	614,629	15.8%	530,888	18.5%	448,034	21.2%
Research & Development Expenses	10,794	14.0%	9,471	-36.9%	15,020	41.3%	10,631	22.6%	8,673	36.0%	6,378	27.2%
Other Operating Expenses	516,443	0.3%	515,016	57.7%	326,591	1.6%	321,451	50.0%	214,260	19.6%	179,129	49.0%
	7,868,015	10.4%	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%
Operating Profit	6,258,875	30.4%	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%
Other Operating Income	446,674	3.3%	432,259	133.1%	185,459	-39.2%	304,988	87.5%	162,649	56.9%	103,681	21.7%
Finance Cost	121,502	-69.2%	393,894	188.6%	136,474	150.9%	54,400	51.4%	35,929	49.0%	24,110	0.8%
Profit Before Tax	6,584,046	36.0%	4,839,459	46.5%	3,302,584	-1.3%	3,345,504	41.0%	2,372,143	23.4%	1,921,732	43.3%
Tax	2,464,734	55.4%	1,585,958	76.3%	899,571	-3.1%	928,332	64.6%	564,111	12.6%	500,996	35.4%
Profit After Tax	4,119,313	26.6%	3,253,501	35.4%	2,403,013	-0.6%	2,417,172	33.7%	1,808,033	27.3%	1,420,736	46.3%



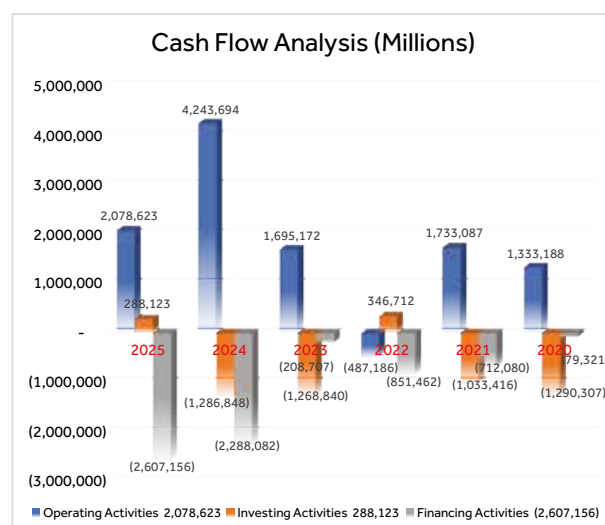
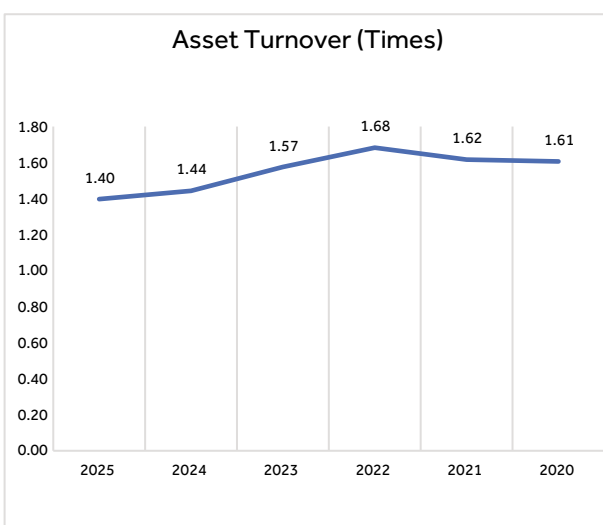
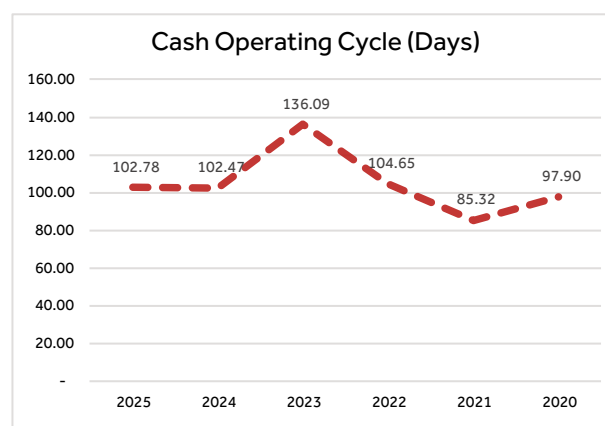
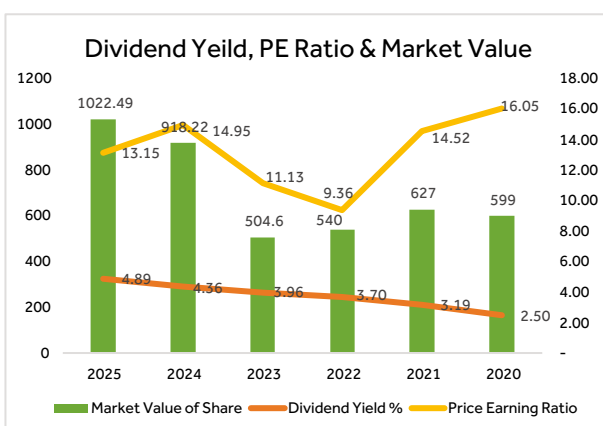
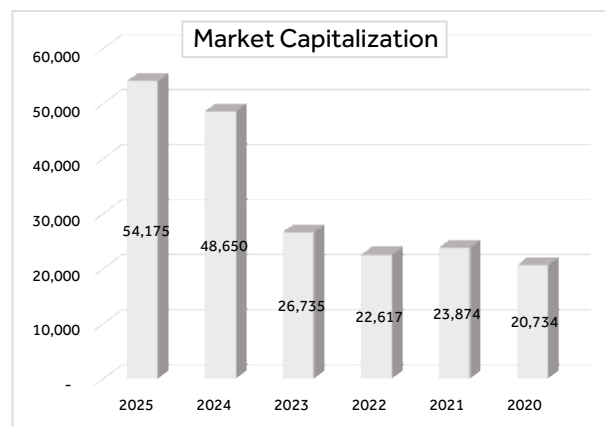
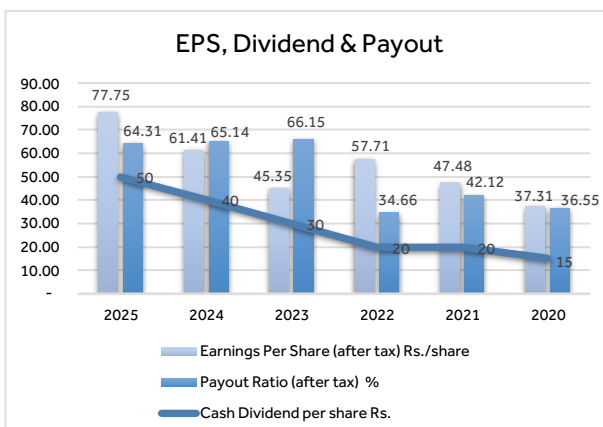
VERTICAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

	2025		2024		2023		2022		2021		2020	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
Sales-Net	25,789,242	100%	23,195,152	100%	19,424,255	100%	15,815,937	100%	13,000,780	100%	10,697,634	100%
Cost of Sales	11,662,352	45%	11,265,537	49%	10,169,790	52.4%	7,785,853	49.2%	6,585,187	50.7%	5,576,458	52.1%
Gross Profit	14,126,889	55%	11,929,615	51%	9,254,464	47.6%	8,030,084	50.8%	6,415,593	49.3%	5,121,176	47.9%
Distribution, Selling & Promotional Expenses	6,311,931	24%	5,807,788	25%	4,945,905	25.5%	3,988,456	25.2%	3,416,349	26.3%	2,645,474	24.7%
Admin & General Expenses	1,028,847	4%	796,247	3%	713,348	3.7%	614,629	3.9%	530,888	4.1%	448,034	4.2%
Research & Development Expenses	10,794	0%	9,471	0%	15,020	0.1%	10,631	0.1%	8,673	0.1%	6,378	0.1%
Other Operating Expenses	516,443	2%	515,016	2%	326,591	1.7%	321,451	2%	214,260	1.6%	179,129	1.7%
	7,868,015	31%	7,128,522	31%	6,000,865	30.9%	4,935,167	31.2%	4,170,170	32.1%	3,279,015	30.7%
Operating Profit	6,258,875	24%	4,801,093	21%	3,253,599	16.8%	3,094,917	19.6%	2,245,423	17.3%	1,842,161	17.2%
Other Operating Income	446,674	2%	432,259	2%	185,459	1%	304,988	1.9%	162,649	1.3%	103,681	1%
Finance Cost	121,502	0%	393,894	2%	136,474	0.7%	54,400	0.3%	35,929	0.3%	24,110	0.2%
Profit Before Tax	6,584,046	26%	4,839,459	21%	3,302,585	17%	3,345,504	21.2%	2,372,144	18.2%	1,921,732	18%
Tax & Levy	2,464,734	10%	1,585,958	7%	899,571	4.6%	928,332	5.9%	564,111	4.3%	500,996	4.7%
Profit After Tax	4,119,313	15.97%	3,253,501	14%	2,403,014	12.4%	2,417,172	15.3%	1,808,033	13.9%	1,420,736	13.3%



GRAPHICAL PRESENTATION



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Financial Statements

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, 2025, 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, 2025 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 Auditors' 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, 2025, the Company reported net revenue of Rs. 25.789 billion, compared to Rs. 23.195 billion in the previous year, as disclosed in note 31 and in accordance with the accounting policy described in Note 5.7 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; • Seen the approval of the Board for credit sales to distributors; • 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 31 to the unconsolidated financial statements in accordance with relevant accounting standards.
2.	Inventories	
	As described in Note 12 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 in hand, packing materials held with third party against which the rights and obligations have been transferred to the Company, stores, spare parts and loose tools, work in process and the finished good items as at reporting date amounting to Rs. 5.088 billion as compared to Rs. 4.136 billion which represents 23% increase 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 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 Auditors' 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 auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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

Lahore
April 10, 2026
UDIN: AR202510087wAyEGUn9h


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

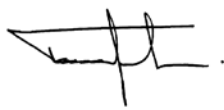
Unconsolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,719,579,406	3,346,874,631
Intangible assets	8	37,851,548	46,866,785
Long-term investment	9	325,000,000	200,000,000
Long-term deposits	10	81,588,597	24,916,894
Long-term loans and advances	11	437,821,751	63,899,529
		4,601,841,302	3,682,557,839
Current assets			
Inventories	12	5,088,463,951	4,135,824,753
Trade receivables	13	4,207,368,520	2,311,740,481
Advances, trade deposits and prepayments	14	625,622,547	535,985,033
Other receivables	15	224,606,241	148,510,886
Short term investments	16	3,059,622,682	3,638,850,646
Tax refunds due from the Government	17	136,872,796	134,405,413
Taxation - net	29	-	15,209,679
Cash and bank balances	18	468,796,488	1,459,206,965
		13,811,353,225	12,379,733,856
TOTAL ASSETS		18,413,194,527	16,062,291,695



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Unconsolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (2024: 100,000,000) shares of Rs. 10 each	19	1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	19	529,833,630	529,833,630
Capital reserve			
Surplus on revaluation of operating fixed assets	20	842,005,340	865,425,008
Revenue reserves		11,798,168,844	9,825,907,063
Total Equity		13,170,007,814	11,221,165,701
Non-current liabilities			
Lease liabilities	21	380,821,593	70,062,585
Long term loan - secured	22	2,423,493	318,819,789
Deferred tax liabilities	23	204,351,890	208,063,654
Deferred liabilities	24	145,253,907	403,793,433
		732,850,883	1,000,739,461
Current liabilities			
Trade and other payables	25	2,983,181,105	2,621,067,508
Contract liabilities	26	227,677,836	62,819,114
Unclaimed dividend		304,559,821	210,193,857
Current portion of long term liabilities	27	117,974,112	196,306,054
Short term borrowings	28	-	750,000,000
Taxation - net	29	876,942,956	-
		4,510,335,830	3,840,386,533
TOTAL EQUITY AND LIABILITIES		18,413,194,527	16,062,291,695
CONTINGENCIES AND COMMITMENTS			
	30		

The annexed notes from 1 to 56 form an integral part of these unconsolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq Alidina
Chief Financial Officer

Unconsolidated Statement of Profit or Loss

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers- net	31	25,789,241,526	23,195,152,022
Cost of revenue	32	(11,662,352,109)	(11,265,537,055)
Gross profit		14,126,889,417	11,929,614,967
Distribution, selling and promotional expenses	33	(6,311,930,671)	(5,807,788,004)
Administrative and general expenses	34	(1,028,847,485)	(796,246,505)
Research and development expenses	35	(10,793,866)	(9,470,982)
Other operating expense	36	(516,442,602)	(515,016,183)
		(7,868,014,624)	(7,128,521,674)
Profit from operations		6,258,874,793	4,801,093,293
Other income	37	446,673,596	432,258,886
Finance cost	38	(121,501,946)	(393,893,657)
Profit before income tax and levy		6,584,046,443	4,839,458,522
Levy	39	-	(19,902,052)
Profit before income tax		6,584,046,443	4,819,556,470
Taxation	40	(2,464,733,809)	(1,566,055,769)
Profit for the year		4,119,312,634	3,253,500,701
Earnings per share - basic and diluted (Rupees)	41	77.75	61.41

The annexed notes from 1 to 56 form an integral part of these unconsolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Unconsolidated Statement of Other Comprehensive Income

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Profit for the year		4,119,312,634	3,253,500,701
Other comprehensive income:			
Items not to be reclassified to profit or loss in subsequent periods:			
Effect of deferred tax due to change in effective tax rate	20	-	(7,711,645)
Remeasurement loss on gratuity	24.2.3	(83,829,510)	(52,166,835)
Related deferred tax	23.1	32,693,509	20,345,066
		(51,136,001)	(31,821,769)
Items to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive loss for the year		(51,136,001)	(39,533,414)
Total comprehensive income for the year		4,068,176,633	3,213,967,287

The annexed notes from 1 to 56 form an integral part of these unconsolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq Alidina
Chief Financial Officer

Unconsolidated Statement of Cash Flow

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	4,978,589,449	6,671,837,325
Income tax paid		(1,570,698,037)	(1,440,862,409)
Gratuity paid		(610,727,888)	(61,708,571)
Finance cost paid		(125,046,393)	(417,489,800)
Workers' Welfare Fund paid	25.4	(194,511,369)	(37,691,307)
Workers' Profit Participation Fund paid	25.5	(362,644,619)	(439,932,183)
Loan to employees - net		15,991,812	5,374,942
Central Research Fund paid		(52,330,255)	(35,833,877)
		(2,899,966,749)	(2,428,143,205)
Net cash generated from operating activities		2,078,622,700	4,243,694,120
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7.1	(320,940,012)	(199,593,050)
Purchase of intangible assets	8.1	(5,734,564)	(25,417,036)
Investment in the Subsidiary	9	(125,000,000)	-
Long term deposits - net	10	(56,671,703)	(973,465)
Short term investments - net	16	755,236,923	(1,391,423,109)
Return on deposit	37	51,287,475	72,261,078
Loan (to) / repaid by subsidiary	11	(79,222,288)	10,000,000
Realised income on short term investments	16.1	-	79,159,430
Dividend income on short term investments		3,480,237	71,972,605
Cash against sale and lease-back arrangement		-	37,442,053
Proceeds from disposal of operating fixed assets	7.1.7	65,686,541	59,723,009
Net cash flows used in investing activities		288,122,609	(1,286,848,485)

Unconsolidated Statement of Cash Flow

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities	21	(140,790,934)	(392,517,755)
Repayment of long term loan	22.1	(441,396,296)	(266,396,296)
Dividend paid		(2,024,968,556)	(1,629,168,260)
Net cash flows used in financing activities		(2,607,155,786)	(2,288,082,311)
Net (decrease) / increase in cash and cash equivalents		(240,410,477)	668,763,324
Cash and cash equivalents at beginning of the year		709,206,965	40,443,641
Cash and cash equivalents at end of the year	18.3	468,796,488	709,206,965

The annexed notes from 1 to 56 form an integral part of these unconsolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

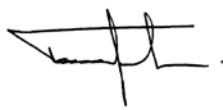
For The Year Ended 31 December 2025

	Share capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed assets	General reserve	Unappropriated profit	Sub total	
----- Rupees -----						
Balance as at January 01, 2024	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						
Profit for the year	-	-	-	3,253,500,701	3,253,500,701	3,253,500,701
Other comprehensive loss 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 unappropriated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(26,202,788)	-	26,202,788	26,202,788	-
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
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 40 per share for the year ended December 31, 2024	-	-	-	(2,119,334,520)	(2,119,334,520)	(2,119,334,520)
Total comprehensive income for the year						
Profit for the year	-	-	-	4,119,312,634	4,119,312,634	4,119,312,634
Other comprehensive loss for the year	-	-	-	(51,136,001)	(51,136,001)	(51,136,001)
	-	-	-	4,068,176,633	4,068,176,633	4,068,176,633
Surplus transferred to unappropriated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(23,419,668)	-	23,419,668	23,419,668	-
Balance as at December 31, 2025	529,833,630	842,005,340	114,000,000	11,684,168,844	11,798,168,844	13,170,007,814

The annexed notes from 1 to 56 form an integral part of these unconsolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 No. 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 unconsolidated financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- 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 otherwise stated.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

3.3 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investment in the 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. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability

January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their unconsolidated financial statements.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

4.2 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 unconsolidated 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 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
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

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, 2027.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

5. 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:

5.1 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.

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.

5.2 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

5.3 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

Defined benefit plan - Gratuity

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. During the year, the Company has paid its gratuity obligations through full and final payments to non-workmen employees. Accordingly, no material obligation remains outstanding at the reporting date, except for gratuity pertaining to a workmen employees only, whose benefits will be settled upon retirement in the ensuing financial year. The residual liability has been duly recognized in these unconsolidated financial statements in accordance with applicable accounting standards.

This valuation is carried out by an independent actuary as at December 31, 2025 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, 2025.

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 unconsolidated statement of profit or loss. Past service costs are immediately recognized in statement of profit or loss.

Defined contribution plan - Provident Fund

The Company operates provident fund for all its confirmed, permanent employees. Equal monthly contributions are made both by the Company and the employees. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under these schemes.

5.4 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 unconsolidated 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. The assets' useful lives have been reviewed at financial year-end. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

5.5 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.

5.6 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

5.7 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).

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.

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.

5.8 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

b) Deferred Tax

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

5.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in unconsolidated 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 as per the IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes as issued by the Institute of Chartered Accountants of Pakistan.

5.10 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.

5.10.1 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.

5.10.2 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 unconsolidated 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

5.10.3 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.

5.10.4 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.

5.10.5 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 2025

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.

5.11 Dividend

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

5.12 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.

5.13 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.

5.14 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 unconsolidated statement of profit or loss.

5.15 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 2025

5.16 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.

5.17 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.

5.18 Related party transactions

Related party transactions are undertaken in the normal course of business and are carried out in accordance with the Company's policy on related party transactions, as approved by the Board of Directors upon the recommendations of the Board Audit Committee.

5.19 Ijarah

Leases in which a significant portion of the risks and rewards of ownership are retained by the Muj'ir (lessor) are classified as Ijarah. Payments made during the period are charged to the statement of profit or loss on a straight-line basis over the period of the Ijarah. The SECP has issued a directive (vide S.R.O. 431(I)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by companies while accounting for Ijarah (lease) transactions as defined in the said standard. The Company has adopted the said standard.

5.20 Investment in subsidiary

Investment in subsidiary companies are measured at cost as per the requirements of IAS-27 'Separate Financial Statements'. However, at subsequent reporting dates, the Company reviews the carrying amounts of the investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If such indication exists the carrying amounts of the investments are adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss.

6. SIGNIFICANT ESTIMATES AND JUDGMENTS AND OTHER ACCOUNTING POLICY INFORMATION

6.1 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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	5.1
- Staff retirement benefits	5.3
- Revaluation, useful life and residual value of operating fixed assets	5.4
- Refund liability	5.7
- Taxation	5.8
- Expected credit loss	5.10.5
- Impairment of non - financial assets	5.10.5

		2025	2024
7	PROPERTY, PLANT AND EQUIPMNET	Rupees	Rupees
	Operating fixed assets	2,883,497,808	3,080,711,613
	Right of use assets	557,996,242	89,084,423
	Capital work in progress	278,085,356	177,078,595
		3,719,579,406	3,346,874,631

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.1 Operating fixed assets

	Land - freehold	Owned assets								Total
		Building on freehold land	Leasehold improvement	Plant and machinery	Laboratory equipment	Furniture and fixtures	Electric and gas appliances	Office equipment	Vehicles-owned	
Note										
										(Rupees)
Year ended December 31, 2025										
Net carrying value basis										
Operating net book value	968,840,082	431,831,654	24,482,826	1,069,324,112	81,450,023	35,926,266	24,312,767	51,224,273	393,319,610	3,080,711,613
Additions	-	7,644,068	45,895,314	26,390,092	18,776,979	996,510	1,030,000	27,023,411	-	127,756,374
Transfers	-	-	-	34,857,080	-	-	-	-	8,304,576	43,161,656
Disposals (NBV)	-	-	-	-	(140,298)	-	-	(1,553,533)	(82,118,615)	(83,812,446)
Written off	-	-	-	-	-	-	-	-	(4,667,016)	(4,667,016)
Depreciation charge	-	(48,482,009)	(14,075,628)	(116,201,833)	(10,665,389)	(4,323,878)	(2,500,540)	(16,554,380)	(66,848,716)	(279,652,373)
Closing net book value	968,840,082	390,993,713	56,302,512	1,014,369,451	89,421,315	32,598,898	22,842,227	60,139,771	247,989,839	2,883,497,808
Gross carrying value basis										
Cost / revalued amount	968,840,082	1,240,758,082	95,299,546	2,309,147,679	154,736,314	75,342,320	60,769,436	174,426,459	537,505,538	5,616,825,456
Accumulated depreciation	-	(849,764,369)	(38,997,034)	(1,294,778,228)	(65,314,999)	(42,743,422)	(37,927,209)	(114,286,688)	(289,515,699)	(2,733,327,648)
Net book value	968,840,082	390,993,713	56,302,512	1,014,369,451	89,421,315	32,598,898	22,842,227	60,139,771	247,989,839	2,883,497,808
Year ended December 31, 2024										
Net carrying value basis										
Operating net book value	654,495,000	265,029,000	30,603,533	892,361,000	80,122,029	28,475,211	24,789,202	45,020,103	208,859,822	2,229,754,900
Additions	314,345,082	204,081,314	-	141,700,623	11,230,349	11,621,324	2,117,932	21,623,088	-	706,719,712
Transfers	-	-	-	129,814,580	-	-	-	-	254,070,373	383,884,953
Disposals (NBV)	-	-	-	-	-	-	-	(671,702)	(31,260,138)	(31,931,840)
Depreciation charge	-	(37,278,660)	(6,120,707)	(94,552,091)	(9,902,355)	(4,170,269)	(2,594,367)	(14,747,216)	(38,350,447)	(207,716,112)
Closing net book value	968,840,082	431,831,654	24,482,826	1,069,324,112	81,450,023	35,926,266	24,312,767	51,224,273	393,319,610	3,080,711,613
Gross carrying value basis										
Cost / revalued amount	968,840,082	1,233,114,014	49,404,232	2,247,900,507	136,099,633	74,345,810	59,739,436	148,956,581	615,986,593	5,534,386,888
Accumulated depreciation	-	(801,282,360)	(24,921,406)	(1,178,576,395)	(54,649,610)	(38,419,544)	(35,426,669)	(97,732,308)	(222,666,983)	(2,453,675,275)
Net book value	968,840,082	431,831,654	24,482,826	1,069,324,112	81,450,023	35,926,266	24,312,767	51,224,273	393,319,610	3,080,711,613
Depreciation Rate	-	10% - 25%	20%	10%	10%	10%	10%	10% - 50%	20%	

7.1.1 There are fully depreciated assets, having cost of Rs.182.999 million (December 31, 2024: Rs. 182.089 million) that are still in use as of the reporting date.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.1.2 During the year, vehicles with a net book value of Rs. 38.321 million were disposed of to the Subsidiary, for a consideration equal to their carrying amount. Consequently, no gain or loss was recognized on disposal.

7.1.3 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.

	2025	2024
7.1.4 Had the assets not been revalued, the carrying values would have been:	Rupees	Rupees
Land - freehold	328,334,371	328,334,371
Building on freehold land	282,388,726	310,269,679
Plant and machinery	785,446,285	814,965,035
7.1.5	1,396,169,382	1,453,569,085

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

Carrying value of assets:		
Land - freehold	968,840,082	968,840,082
Building on freehold land	390,993,713	431,831,654
Plant and machinery	1,014,369,451	1,069,324,112
	2,374,203,246	2,469,995,848
Less: Revaluation surplus	(842,005,340)	(865,425,008)
Less: Related deferred tax	(136,028,524)	(151,001,755)
	(978,033,864)	(1,016,426,763)
Carrying value without revaluation surplus	1,396,169,382	1,453,569,085

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

Location and address	Usage of immovable property	Land area (kanal)	Coverage area (sq. 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	432,547

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.1.7 Disposal of property, plant and equipment

Description		Cost	Accumulated Depreciation	Net Book Value	Sales Proceeds	Gain / (loss)	Mode of Sale	Particulars of Purchasers
----- Rupees -----								
Motor Cars	Reg. No							Person Name
Suzuki Cultus VXR	AEM 129	1,766,920	979,863	787,057	1,286,705	499,648	As per the Company policy	Adnan Shareef
Suzuki Alto	ABF 795	1,433,000	904,739	528,261	1,024,492	496,231	As per the Company policy	Shakeel Ahmed Khan
Suzuki Alto	ABV 376	1,433,000	893,734	539,266	1,000,203	460,937	As per the Company policy	M Aurangzaib
Cultus	AFU 485	1,691,430	925,009	766,421	1,175,775	409,354	As per the Company policy	M Kamran
Suzuki Alto	AFR 434	1,335,000	655,752	679,248	988,663	309,415	As per the Company policy	M Daniyal
Suzuki Motor Car	ADX 037	1,394,881	805,683	589,198	882,780	293,582	As per the Company policy	M Naqash
Suzuki Alto	ABF 053	1,433,000	904,739	528,261	718,434	190,173	As per the Company policy	Arif Khan
Fortuner Sigma	ANH 733	15,796,409	1,842,914	13,953,495	15,550,000	1,596,505	Market Sale	Humza Hussain
Hyundai Tucson FWD GLS	ATL 373	8,457,750	493,369	7,964,381	7,889,786	(74,595)	Market Sale	M Sohail
Suzuki Motor Car	ADX 843	1,394,881	816,594	578,287	1,007,411	429,124	Market Sale	Zakir Khan
Alto VXR	APY 718	2,359,800	39,330	2,320,470	2,480,000	159,530	Market Sale	M Amanullah
Suzuki Alto VXR	ANV 346	1,986,000	631,989	1,354,011	2,528,000	1,173,989	Market Sale	Asif Shah
Wagon-R	APZ 822	2,997,945	99,932	2,898,014	2,905,000	6,986	Market Sale	M Nadeem
MG HS	ADN 128	6,517,333	868,978	5,648,355	5,750,000	101,645	Market Sale	M Sajjad
Suzuki Alto	ABV 705	1,433,000	903,720	529,280	456,934	(72,346)	Written Off	-
Suzuki Motor Car	ADW 525	1,394,881	816,594	578,287	364,022	(214,265)	Written Off	-
Suzuki Alto	ABV 592	1,433,000	903,720	529,280	-	(529,280)	Written Off	-
Alto VXR-3	AMN-882	1,740,500	772,937	967,563	319,550	(648,013)	Written Off	-
Alto VXR-1	AKQ 323	1,553,500	748,442	805,058	128,830	(676,228)	Written Off	-
Suzuki Motor Car	ADX 705	1,394,881	860,239	534,642	534,642	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki Alto VXR	ANV 591	1,986,000	861,483	1,124,517	1,124,517	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto VXR	APM 243	2,622,000	1,051,713	1,570,287	1,570,287	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
KIA Sorento 2.4 FWD	AMA-699	6,574,900	-	6,574,900	6,574,900	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki Motor Car	ADY 112	1,394,881	740,217	654,664	654,664	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto	AFU 297	1,368,155	679,335	688,820	688,820	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto	AFU 215	1,368,155	679,335	688,820	688,820	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto VXR-6	AKT 373	1,553,500	642,113	911,387	911,387	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto VXR-7	AKY 583	1,553,500	642,113	911,387	911,387	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki Alto	AWM 614	1,986,000	714,960	1,271,040	1,271,040	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki Alto	AMX 673	1,986,000	714,960	1,271,040	1,271,040	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki Alto	AMX 532	1,986,000	714,960	1,271,040	1,271,040	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto VXR	APM 907	2,622,000	699,200	1,922,800	1,922,800	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki ALTO VXR	AQM 480	2,359,800	-	2,359,800	2,359,800	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki ALTO VXR	AQJ 549	2,359,800	-	2,359,800	2,359,800	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Suzuki ALTO VXR	AQJ 405	2,359,800	-	2,359,800	2,359,800	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Alto VXR APY 710	APY 710	2,359,463	-	2,359,463	2,359,463	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
KIA Sorento 2.4 FWD	ALY-589	6,615,200	-	6,615,200	6,615,200	-	Transferred to the Subsidiary	Curexa Health (Private) Limited
Items having NBV less than								
Rs.500,000 each		36,293,552	25,807,689	10,485,862	22,101,748	11,615,886		
2025		138,295,817	(49,816,355)	88,479,462	104,007,740	15,528,278		
2024		59,226,940	(27,295,100)	31,931,840	59,723,009	27,791,169		

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.2	Right of use assets	Note	Right of use assets			
			Plant and machinery	Vehicles-leased	Buildings	Total
			----- Rupees -----			
	Year ended December 31, 2025					
	Net carrying value basis					
	Opening net book value	36,691,665	21,368,292	31,024,466	89,084,423	
	Additions	-	397,678,856	192,830,446	590,509,302	
	Transfers	(34,857,080)	(8,304,576)	-	(43,161,656)	
	Depreciation charge	(1,834,585)	(26,951,544)	(49,649,698)	(78,435,827)	
	Closing net book value	-	383,791,028	174,205,214	557,996,242	
	Gross carrying value basis					
	Cost	2,142,918	417,103,321	242,028,111	661,274,350	
	Accumulated depreciation	(2,142,918)	(33,312,293)	(67,822,897)	(103,278,108)	
	Net book value	-	383,791,028	174,205,214	557,996,242	
	Year ended December 31, 2024					
	Net carrying value basis					
	Opening net book value	164,716,575	336,836,645	62,892,457	564,445,677	
	Additions	37,802,872	11,591,200	-	49,394,072	
	Transfers	(141,388,872)	(254,070,373)	-	(395,459,245)	
	Disposals (NBV)	-	(37,442,053)	-	(37,442,053)	
	Depreciation charge	(24,438,910)	(35,547,127)	(31,867,991)	(91,854,028)	
	Closing net book value	36,691,665	21,368,292	31,024,466	89,084,423	
	Gross carrying value basis					
	Cost	36,999,998	27,729,041	170,728,316	235,457,355	
	Accumulated depreciation	(308,333)	(6,360,749)	(139,703,850)	(146,372,932)	
	Net book value	36,691,665	21,368,292	31,024,466	89,084,423	
	Depreciation rate	10%	10% - 33%	10% - 25%		

- 7.2.1 The Company's obligations under its leases are secured by the lessor's title to 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 2025

7.3 Capital work in progress

Movement in capital work in progress is as follows:

	Plant and Machinery	Others	Total	
	2025		2025	2024
	----- Rupees -----			
Opening balance	458,162	176,620,433	177,078,595	722,025,038
Additions during the year	55,421,092	579,854,934	635,276,026	236,584,369
Transferred to owned assets / reclassification to advances	(26,390,091)	(507,879,174)	(534,269,265)	(781,530,812)
	29,489,163	248,596,193	278,085,356	177,078,595

	Note	2025 Rupees	2024 Rupees
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7.4 Depreciation charge has been allocated as under:

Cost of revenue	32	207,940,592	177,465,641
Distribution, selling and promotional expenses	33	77,516,796	91,890,320
Administrative and general expenses	34	72,630,812	30,214,180
		358,088,200	299,570,141

8 INTANGIBLE ASSETS

Intangible assets	8.1	37,851,548	46,866,785
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8.1		2025							
Particulars	Note	Cost			Accumulated amortization			Book value as at 31 December	Rate
		As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December		
		----- Rupees -----							
Registration and trademark	8.1.1	154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software	8.1.2	67,483,516	5,734,564	73,218,080	20,616,731	14,749,801	35,366,532	37,851,548	20% - 33%
		221,917,691	5,734,564	227,652,255	175,050,906	14,749,801	189,800,707	37,851,548	

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	2024								
	Note	Cost			Accumulated amortization			Book value as at 31 December	Rate
Particulars		As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December		
----- Rupees -----									
Registration and trademark	8.1.1	154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software	8.1.2	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	

8.1.1 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.

8.1.2 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.

	Note	2025 Rupees	2024 Rupees
8.2 Amortization charge has been allocated as under:			
Cost of revenue	32	5,737,918	6,304,470
Distribution, selling and promotional expense	33	578,569	775,562
Administrative and general expense	34	8,433,314	3,755,798
		14,749,801	10,835,830

9 LONG-TERM INVESTMENT

The Subsidiary - At cost	9.1	325,000,000	200,000,000
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9.1 This represents 100% (2024: 100%) shares in the Subsidiary, 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. During the year, the Company made additional equity investment amounting Rs. 125 million in the subsidiary.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
10	LONG-TERM DEPOSITS	Rupees	Rupees
	Bank guarantee margin	19,942,390	1,602,710
	Deposits with vendors	22,298,383	23,314,184
	Security deposit against ijarah lease	39,347,824	-
		81,588,597	24,916,894

10.1 This amount represents performance guarantees given to government institutions against the awarded orders.

10.2 Deposits with vendors are non-adjustable and are refundable after the contract with the service providers are concluded. The impact of discounting to present value is assessed to be immaterial by the management.

		2025	2024
11	LONG-TERM LOANS AND ADVANCES	Rupees	Rupees
	Secured - considered good	57,841,093	73,832,905
	Loan to employees - secured	(7,519,342)	(9,933,376)
	Less: current portion	50,321,751	63,899,529
	Unsecured - considered good		
	Loan to subsidiary	425,000,000	-
	Less: Current maturity	(37,500,000)	-
		387,500,000	-
		437,821,751	63,899,529

11.1 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% (2024: 0%) per annum and are repayable in cash in accordance with predefined repayment schedule. The impact of discounting to present value is assessed to be immaterial by the management.

11.2 This represents loans given to the Subsidiary at a markup of 3 Months KIBOR + 0.1% - KIBOR + 0.5% per annum. The loan is for a period of 4 years and is repayable in 10 equal quarterly installments starting from May 2026.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

12	INVENTORIES	Note	2025 Rupees	2024 Rupees
	Raw materials			
	In hand		2,771,431,365	1,987,657,055
	In transit		449,765,074	158,618,913
	With third party		135,911,573	130,340,660
			3,357,108,012	2,276,616,628
	Packing material			
	In hand		700,639,386	748,530,418
	With third party		25,046,346	28,611,460
			725,685,732	777,141,878
	Stores, spare parts and loose tools		163,223,850	81,173,502
	Work in progress		502,840,820	451,785,182
	Finished goods			
	Trading - in hand		108,189,203	81,276,281
	Manufactured		430,855,218	661,955,592
		12.2	539,044,421	743,231,873
	Provision for slow moving and obsolete items	12.1	(199,438,884)	(194,124,310)
			5,088,463,951	4,135,824,753
12.1	Provision for slow moving and obsolete items			
	Opening provision		194,124,310	187,606,909
	Charge for the year		89,307,854	73,693,481
	Reversal during the year		(83,993,280)	(67,176,080)
	Closing provision		199,438,884	194,124,310

- 12.2 The finished goods are recorded at lower of cost and net realisable value which has resulted in impairment loss amounting to Rs. 13.99 million (2024: Rs. 17.49 million) recorded in cost of revenue.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

13	TRADE RECEIVABLES	Note	2025 Rupees	2024 Rupees
	Export sales		165,891,286	120,550,269
	Local sales		4,109,586,132	2,248,836,211
			4,275,477,418	2,369,386,480
	Less: allowance for expected credit losses	13.1	(68,108,898)	(57,645,999)
		13.2	4,207,368,520	2,311,740,481
13.1	Allowance for expected credit losses:			
	Opening balance		57,645,999	22,372,807
	Charge during the year	36	10,462,899	35,273,192
			68,108,898	57,645,999
13.2	This includes a balance amounting to Rs. 101.544 million (2024: Nil) receivable from the Subsidiary on account of sales made during the year.			
13.3	Age analysis of receivable from related party, past due but not impaired is as follows:			
			2025 Rupees	2024 Rupees
	The Subsidiary			
	0 to 6 months		101,544,385	-
	6 to 12 months		-	-
			101,544,385	-
13.4	Maximum aggregate balance due from the Subsidiary on account of sales made during the year at the end of any month during the year was Rs. 101.544 million.			
14	ADVANCES, TRADE DEPOSITS AND PREPAYMENTS	Note	2025 Rupees	2024 Rupees
	Advances to staff			
	- against expenses	14.1	16,777,452	30,479,190
	- against salary	14.2	30,076,384	26,014,292
	- current portion of advances against vehicles	11	7,519,342	9,933,376
			54,373,178	66,426,858
	Advance to suppliers against goods and services		481,759,860	373,078,601
	Margin against letter of credit		30,795,218	32,845,782
	Trade deposits		25,743,392	23,831,298
	Prepayments		32,950,899	39,802,494
			625,622,547	535,985,033

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

14.1 Advances to staff provided to meet business expense are settled as and when the expense are incurred.

14.2 Advances to staff are interest free and settled against immediate salary. These advances are secured against final settlement of staff provident fund.

15	OTHER RECEIVABLES	Note	2025 Rupees	2024 Rupees
	Receivable from:			
	The Subsidiary	15.1	29,675,707	11,574,290
	Current portion of long-term loan to the Subsidiary	11	37,500,000	-
			67,175,707	11,574,290
	Interest accrued	15.2	4,729,050	19,979,979
	Sales tax recoverable		152,561,484	111,687,167
	Others		140,000	5,269,450
			224,606,241	148,510,886

15.1 This represents receivable from Subsidiary against the transfer of capital assets amounting Rs. Rs. 29.675 million (2024: Rs. 11.574 million).]

15.2 This includes mark up amounting to Rs. 1.183 million (2024: Rs. Nil) receivable from the Subsidiary against loan. The maximum amount due during the year was Rs. 7.592 million. The interest accrued has been received during the year.

16	SHORT TERM INVESTMENTS	Note	2025 Rupees	2024 Rupees
	Mutual funds - fair value through profit or loss	16.1	2,659,250,468	3,471,920,933
	Term deposit receipts - at amortized cost	16.2	400,372,214	166,929,713
			3,059,622,682	3,638,850,646

16.1 These investments are measured at fair value through profit or loss:

	Balance at the beginning of the year		3,471,920,933	1,699,124,325
	Additions during the year		6,133,140,049	4,383,230,301
	Redemption during the year		(7,290,579,760)	(2,847,386,088)
	Realized gain on redemption of investments during the year	37	168,760,287	79,159,430
	Unrealized gain on remeasurement of investments during the year	37	176,008,959	157,792,965
	Closing fair value of short term investments		2,659,250,468	3,471,920,933

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

16.1.1 Mutual fund wise detail is as follows:

	Units		Fair Value	
	2025	2024	2025	2024
	Numbers	Numbers	Rupees	Rupees
Alfalsh GHP Money Market Fund	3,302,007	4,836,803	343,450,947	520,888,356
Alfalsh GHP Income Fund (AGHPIF)	14	-	1,665	-
MCB Cash Management Optimizer Fund	1,972,271	1,934,218	211,908,831	215,329,898
Faysal Halal Amdani Fund	3,037	2,283	323,883	303,365
Faysal Islamic cash fund	162	-	16,963	-
NBP Money Market Fund	-	47,882	-	522,825
NBP Financial Sector Income Fund	-	10,542,234	-	122,532,634
UBL Money Market Fund- Class "C"	-	2,334,503	-	256,261,836
UBL Liquidity Plus Fund	1,315	1,186	140,270	130,968
UBL Government Securities Fund	1,560	-	200,000,000	-
UBL Income Opportunity Fund	6,707	-	766,446	-
UBL Al Amin Shariah Fund	8	7	4,185	2,944
UBL Growth And Income Fund - Class 'lu'	521	-	47,000	-
Al-Ameen Islamic Energy Fund - Class 'A'	39	-	12,155	-
Ubl Liquidity Fund - Class 'A'	2,010,314	-	207,580,973	-
NIT Social Impact Fund	49,220,441	40,583,318	260,734,256	450,313,164
NIT Government Bond Fund	1,136,781	52,329,614	12,029,417	575,819,378
NIT Income Fund	29,282	4,492,565	317,163	50,000,000
NIT Money Market Fund	19,796,100	-	203,442,542	-
Pak Qatar Income Plan	856,615	3,458,519	105,120,676	385,598,185
HBL Money Market Fund	7,187	5,506	780,704	618,572
Financial Sector Income Fund Plan I	70	-	7,556	-
ABL Government Securities Funds B	13	11	137	124
ABL Fixed Rate Plan VIII	-	10,000,000	-	105,783,000
ABL Fixed Rate Plan XII	-	53,148,656	-	538,395,881
ABL Fixed rate plan-XX	20,000,000	-	204,642,000	-
ABL FIXED RATE PLAN - XIX	10,905,556	-	114,952,199	-
ABL Cash Fund	-	3,675	-	41,029
JS Cash Fund	613	515	67,869	63,251
JS Microfinance Sector Fund	2,254,529	-	257,805,341	-
AL Habib Income Fund	4,924	1,069,540	529,698	119,084,173
AL Habib Money Market Fund	962,965	-	101,732,375	-

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Units		Fair Value	
	2025	2024	2025	2024
	Numbers	Numbers	Rupees	Rupees
Lakson Income Fund	1,652,036	1,154,350	179,033,956	130,231,350
Lucky Islamic Money Market Fund	475,039	-	50,000,000	-
Meezan Cash Fund	3,420,336	-	184,195,700	-
Meezan Gold Fund	69,576	-	19,590,109	-
Meezan Rozana Amdani Fund	309	-	15,452	-
	118,090,327	185,945,385	2,659,250,468	3,471,920,933

16.2 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 9.02% to 16% (2024: 11.25% - 21.00%) with maturity up to October 2026.

		2025	2024
	Note	Rupees	Rupees
17 TAX REFUNDS DUE FROM THE GOVERNMENT			
Sales tax refundable - net		109,774,188	222,497,425
Provision against sales tax refundable	17.1	-	(88,092,012)
		109,774,188	134,405,413
Income tax refundable - net		27,098,608	-
		136,872,796	134,405,413

17.1 Provision against sales tax refundable

Opening balance		88,092,012	-
(Reversal) / Charge for the year	36	(88,092,012)	88,092,012
		-	88,092,012

18 CASH AND BANK BALANCES

Cash in hand		100,000	630,394
Balance with banks			
Current accounts			
- Local currency		201,119,358	1,035,137,688
- Foreign currency		228,704,609	75,337,262
Savings accounts	18.1	38,872,521	348,101,621
		468,696,488	1,458,576,571
		468,796,488	1,459,206,965

18.1 These represents savings accounts which carries average profit at the rate of ranging from 6.46% to 9.10% (2024: 9.21% to 20.10%).

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

18.2 This represents the foreign currency bank accounts with balance amounting to USD 815,550 (2024: USD 268,185).

18.3 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	2025 Rupees	2024 Rupees
Cash and bank balances		468,796,488	1,459,206,965
Short - term borrowings	28	-	(750,000,000)
Cash and cash equivalents as per statement of cashflows		468,796,488	709,206,965

19 SHARE CAPITAL

Authorized share capital

100,000,000 (2024: 100,000,000) ordinary shares of

Rs. 10 each

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

19.1 Issued, subscribed and paid up share capital

5,905,000 (2024: 5,905,000) ordinary shares of Rs. 10

each fully paid in cash

59,050,000 59,050,000

95,000 (2024: 95,000) ordinary shares of Rs.10 each

issued for consideration other than cash

19.1.1 950,000 950,000

46,983,363 (2024: 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

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

19.2 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

			2025 Rupees	2024 Rupees
20	REVALUATION SURPLUS ON OPERATING FIXED ASSETS	Note		
	Opening balance of gross surplus on revaluation of fixed assets		1,016,426,763	1,059,382,153
	Incremental depreciation relating to surplus on revaluation of operating fixed assets - transferred to unappropriated profits		(38,392,899)	(42,955,390)
			978,033,864	1,016,426,763
	Less related deferred tax liability on:			
	Balance at the beginning of the year		151,001,755	160,042,712
	Effect of deferred tax due to change in effective tax rate		-	7,711,645
	Incremental depreciation relating to surplus on revaluation of operating fixed assets - transferred to unappropriated profits		(14,973,231)	(16,752,602)
			136,028,524	151,001,755
	Closing balance of surplus on revaluation of operating fixed assets	20.1	842,005,340	865,425,008

20.1 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 47.2 of these unconsolidated financial statements.

			2025 Rupees	2024 Rupees
21	LEASE LIABILITIES	Note		
	Present value of lease payments		493,584,101	136,042,610
	Less: Current portion shown under current liabilities	27	(112,762,508)	(65,980,025)
			380,821,593	70,062,585

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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

	2025			
	Rupees			
	Building	Vehicles	Plant and Machinery	Total
As at January 01,	50,803,192	51,939,418	33,300,000	136,042,610
Additions	192,830,446	305,501,979	-	498,332,425
Accretion of interest	11,834,208	28,133,151	2,232,765	42,200,124
Payments	(63,226,589)	(84,231,704)	(35,532,765)	(182,991,058)
As at December 31,	192,241,257	301,342,844	-	493,584,101

	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

		2025	2024
	Note	Rupees	Rupees
21.1 Maturity analysis of lease liabilities:			
Within one year		163,057,411	82,484,990
After one year but not more than five years		454,743,939	84,450,783
Finance cost		(124,217,249)	(30,893,163)
Total lease liabilities		493,584,101	136,042,610

21.2 Salient features of the leases are as follows:

- Discounting factor	11.53% - 14.19%	8.94% - 23.84%
- Lease term	12 to 120 Months	12 to 120 Months

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
21.3 Amount recognised in unconsolidated statement of profit or loss			
Interest expense on lease liabilities	38	42,200,124	69,727,016
Expenses related to short term leases		97,104,670	107,976,674
Total amount recognised in unconsolidated statement of profit or loss		139,304,794	177,703,690

22 LONG TERM LOAN - SECURED

Long term loans	22.1	6,319,789	447,716,085
Less: Current portion shown under current liabilities	27	(3,896,296)	(128,896,296)
		2,423,493	318,819,789

22.1 The movement of long term loan is as follows:

Opening balance as at January 01,	22.1.1 & 22.1.2	447,716,085	714,112,381
Principal payments made during the year		(441,396,296)	(266,396,296)
		6,319,789	447,716,085
Less: Current portion shown under current liabilities		(3,896,296)	(128,896,296)
Closing balance as at 31 December		2,423,493	318,819,789

22.1.1 Two loans include one facility of amounting to Rs. 500 million with maturity date of June 05, 2028 was 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. 500 million has been early settled during the year. This facility was secured against first pari passu charge over all present and future plant and machinery.

22.1.2 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 (2024: Rs. 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2024: 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 3 months 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

23 DEFERRED TAX LIABILITIES	Note	2025 Rupees	2024 Rupees
Deferred tax liabilities - net	23.1	204,351,890	208,063,654
Deferred tax liabilities on taxable temporary differences:			
Surplus on revaluation of operating fixed assets		131,635,980	146,609,210
Accelerated tax depreciation		268,334,799	333,811,106
Short term investments		44,002,240	-
Lease arrangement - net		4,671,470	-
		448,644,489	480,420,316
Deferred tax assets on deductible temporary differences:			
Lease arrangement - net		-	(18,313,693)
Provisions and allowances		(244,292,599)	(254,042,969)
		(244,292,599)	(272,356,662)
Deferred tax liabilities		204,351,890	208,063,654

23.1 Movement in deferred tax is as follows:

As at January 01,		208,063,654	122,734,865
Recognized as deferred tax expense / (income) in unconsolidated statement of profit or loss:			
Surplus on revaluation of operating fixed assets		(14,973,230)	(15,871,416)
Accelerated tax depreciation on fixed assets		(65,476,307)	177,215,883
Short term investments		44,002,240	-
Lease liabilities		22,985,163	(31,572,813)
Provisions and allowances		42,443,879	(31,809,444)
		28,981,745	97,962,210
		237,045,399	220,697,075
Recognized as deferred tax expense in other comprehensive income:			
Gratuity		(32,693,509)	(20,345,066)
Effect of deferred tax due to change in effective tax rate		-	7,711,645
		(32,693,509)	(12,633,421)
		204,351,890	208,063,654

24 DEFERRED LIABILITIES

Deferred grant	24.1	2,970,631	4,171,514
Gratuity	24.2	142,283,276	399,621,919
		145,253,907	403,793,433

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
24.1 Movement of deferred grant is as follows:			
Opening balance as at January 01,		5,601,247	6,916,657
Grant income recognized during the year	37	(1,315,308)	(1,315,410)
Closing balance as at December 31,		4,285,939	5,601,247
Less: Current portion shown under current liabilities	27	(1,315,308)	(1,429,733)
Non current portion		2,970,631	4,171,514

24.2 As discussed in Note 5.3, 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.

	Note	2025 Rupees	2024 Rupees
Present value of defined benefit obligation	24.2.1	142,283,276	399,621,919
24.2.1 Movement in the present value of define benefit obligation:			
Opening balance as at January 01,		399,621,919	524,030,734
Current service cost		6,499,019	30,487,822
Interest cost on defined benefit obligation		17,185,732	78,908,232
Benefits paid during the year		(610,727,888)	(55,378,631)
Gains / (loss) on plan curtailment	24.2.8	271,402,895	(224,263,133)
Charge to other comprehensive income		83,829,510	52,166,835
		167,811,187	405,951,859
Less: balance due but not paid		(25,527,911)	(6,329,940)
Closing balance as at December 31,		142,283,276	399,621,919

24.2.2 Expense / (reversal) recognized in the unconsolidated statement of profit or loss:

Current service cost	6,499,019	30,487,822
Interest cost	17,185,732	78,908,232
Loss / (gains) arising on plan curtailment	271,402,895	(224,263,133)
	295,087,646	(114,867,079)

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

Note	2025 Rupees	2024 Rupees
24.2.3 Remeasurement gain recognized in other comprehensive income:		
Actuarial losses and (gain) from changes in financial assumptions	-	35,969,175
Experience adjustments	83,829,510	16,197,660
	83,829,510	52,166,835

24.2.4 Historical information for gratuity plan

	2025	2024	2023	2022	2021
	-----Rupees-----				
Present value of defined benefit obligation	142,283,276	399,624,919	524,030,734	525,066,824	546,646,832
Remeasurement adjustment arising on plan liabilities	83,829,510	52,166,835	(68,944,791)	(46,524,657)	17,177,141
Remeasurement adjustment as percentage of outstanding liability	58.92%	13.05%	-13.74%	-8.86%	3.14%

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

	2025	2024
- Discount rate used for interest cost	12.25% p.a.	16.00% p.a.
- Discount rate used for year end obligation	11.75% p.a.	12.25% p.a.
- Expected rate of increase in salary	10.75% p.a.	10.50% p.a.
- Expected average remaining working life time	6 years	6 years
- Mortality rates	SLIC	SLIC
	2001-2005	2001-2005

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

24.2.5 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.

	Note	2025 Rupees	2024 Rupees
Discount rate + 100 bps		130,769,326	131,691,492
Discount rate - 100 bps		149,278,330	149,882,941
Salary increase + 100 bps		149,494,060	150,096,939
Salary increase - 100 bps		130,381,874	131,349,637

24.2.6 The following are the expected payments in future years:

Within next 12 months	17,005,276	31,754,598
Between 2 and 5 years	62,705,560	230,127,665
Between 5 and 10 years	121,017,652	276,288,267
Beyond 10 years	355,951,870	601,635,042
Total expected payments	556,680,358	1,139,805,572

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (2024: 6 years).

24.2.7 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.

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

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

25	TRADE AND OTHER PAYABLES	Note	2025 Rupees	2024 Rupees
	Trade creditors	25.1	1,945,448,224	1,564,774,648
	Accrued expenses		262,132,122	308,683,354
	Accrued markup		23,634,425	27,178,872
	Due to employees		117,879,207	136,398,316
	Provision for leave encashment		49,817,547	49,582,690
	Payable to central research fund	25.2	69,114,564	49,879,097
	Payable to provident fund trust	25.3	16,903,336	17,009,328
	Payable to employees welfare trust		1,030,236	-
	Withholding tax payable		79,910,965	49,777,240
	Refund liabilities		200,750,257	145,027,808
	Workers Welfare Fund Payable	25.4	223,364,152	274,744,077
	Workers' Profit Participation Fund	25.5	(6,803,930)	(1,987,922)
			2,983,181,105	2,621,067,508

25.1 These include Rs. 27.453 million (2024: 7.361 million) payable to the Subsidiary on account of purchases made during the year net off trade receivables amounting Rs. 101.544 million (2024: Nil).

25.2 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.

25.3 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.

25.4	Workers Welfare Fund Payable	Note	2025 Rupees	2024 Rupees
	Opening balance as at January 01,		274,744,077	228,368,351
	Charge for the year	36	143,131,444	84,067,033
	Paid during the year		(194,511,369)	(37,691,307)
	Closing balance as at December 31,		223,364,152	274,744,077

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

25.5 Workers' Profit Participation Fund	Note	2025 Rupees	2024 Rupees
Opening balance as at January 01,		(1,987,922)	178,811,337
Charge for the year	36	357,828,611	259,132,924
Paid during the year		(362,644,619)	(439,932,183)
Closing balance as at December 31,		(6,803,930)	(1,987,922)

26 CONTRACT LIABILITIES

Advance from local distributors		36,349,731	50,959,054
Advance from institutions		189,749,886	11,724,730
Advance from foreign customer - export		1,578,219	135,330
		227,677,836	62,819,114

26.1 The aging of contract liabilities is as follows:

Less than or equal to 30 days		177,484,333	54,744,514
31-90 days		21,767,163	5,410,424
91-180 days		19,833,958	321,108
More than 180 days		8,592,382	2,343,068
		227,677,836	62,819,114

26.2 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. 62.82 million (2024: Rs. 63.19 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.

27 CURRENT PORTION OF LONG-TERM LIABILITIES	Note	2025 Rupees	2024 Rupees
Lease liabilities	21	112,762,508	65,980,025
Long term loan - secured	22	3,896,296	128,896,296
Deferred grant	24.1	1,315,308	1,429,733
		117,974,112	196,306,054

28 SHORT TERM BORROWINGS

Meezan Bank Limited	28.1	-	750,000,000
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Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

- 28.1** Facilities available from Meezan Bank Limited comprise of running musharakah amounting to Rs. 500 million (2024: Rs. 750 million) and letter of credit (sight) under Musawamah amounting to Rs. 800 million (2024: 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 musharakah is 1 Month KIBOR plus 0.30% (2024: 1 Month KIBOR minus 2.50%). Out of the aggregated facility, export refinance facility amounting to Rs. 200 million (2024: 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% (2024: SBP rate plus 1%).

		2025	2024
29	TAXATION - NET	Rupees	Rupees
	Income tax - net	876,942,956	(15,209,679)
	Provision for taxation / advance income tax - net		
	Provision for current tax	1,824,069,108	1,118,468,927
	Effect of super tax	629,128,201	386,015,171
	Levy	-	19,902,052
	Advance income tax paid	(1,558,809,108)	(1,503,205,290)
	Prior year adjustment	(17,445,245)	(36,390,539)
	Closing balance	876,942,956	(15,209,679)

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

- 30.1.1** 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.

- 30.1.2** 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

- 30.1.3** 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.
- 30.1.4** 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.
- 30.1.5** 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 Assistant Commissioner Inland Revenue ('ACIR') has issued an order dated June 30, 2025 u/s 122 of the Income Tax Ordinance, 2001, in respect of tax year 2019, creating a demand amounting to Rs 845.71 million. The Company has preferred an appeal before Commissioner Inland Revenue, Appeals ('CIR(A)') against this order, on July 26, 2025, which is pending adjudication. The provision has not been recognised by the Company, as the management expects a favourable outcome.
- 30.1.7** The Company has challenged the imposition of super tax under Section 4C of the Income Tax Ordinance, 2001 on the grounds of retrospective applicability. For Tax Year 2022, the Honorable Lahore High Court, vide judgment dated April 12, 2023, struck down the levy of super tax at 10% but allowed imposition at 4% on a retrospective basis; however, the Company's Intra Court Appeal was decided in its favor on May 16, 2024, and the matter is now pending before the Honorable Supreme Court of Pakistan upon appeal filed by the Federal Board of Revenue. For Tax Year 2023, the Company has also challenged the retrospective imposition of super tax at 10% before the Honorable Lahore High Court, which has granted a stay against its operation, and the matter is pending adjudication. No provision has been recognized in respect of these matters, as the management, based on the opinion of its legal advisors, expects a favorable outcome.
- 30.1.8** A petition dated September 8, 2025 has been filed under section 286 of the Companies Act, 2017 before the Lahore High Court. The case has not yet been fixed for hearing. The management, based on the assessment of its concerned legal advisors, is of the view that no outflow of economic resources is expected to occur based on the aforementioned petition.
- 30.1.9** There are several claims that have been lodged against the Company. The quantum of potential liability cannot be estimated reliably. The Company is hopeful of a favorable outcome, therefore, no provision has been recognized in these financial statements.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
30.2 Commitments			
The Company has commitments against:			
Letter of credit		881,124,006	963,000,541
Bank contracts		489,730,620	270,379,501
Ijarah rentals	30.2.1	322,126,814	-
Capital work in progress		80,240,684	-
		1,773,222,124	1,233,380,042
30.2.1 Future payments under Ijarah			
Within one year		80,627,044	-
After one year but not more than five years		241,499,770	-
	30.3	322,126,814	-

30.3 This represents a five-year ijarah contract with First Habib Modaraba against company vehicles, rentals of which are calculated with reference to 6 month KIBOR + 0.5% subject to a 5% floor and 35% ceiling. The rate is subject to revision on semi annual basis.

	Note	2025 Rupees	2024 Rupees
31 REVENUE FROM CONTRACTS WITH CUSTOMERS- NET			
Manufacturing:			
Local sales		26,444,196,746	24,073,606,665
Export sales		2,175,020,942	1,947,309,165
		28,619,217,688	26,020,915,830
Trading		2,451,680,958	1,459,642,482
Toll manufacturing		852,892,313	712,472,182
		31,923,790,959	28,193,030,494
Less:			
Trade discounts		4,006,637,134	4,107,046,135
Sales tax		248,287,104	243,847,447
Sales returns		1,879,625,195	646,984,890
		(6,134,549,433)	(4,997,878,472)
	31.1	25,789,241,526	23,195,152,022

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
31.1	Geographical information	Note	Rupees
	Revenue from external customers - net		Rupees
	Pakistan	23,614,220,584	21,247,842,857
	Afghanistan via an agent	1,621,333,632	1,450,077,421
	United Arab Emirates	298,270,568	180,197,839
	Srilanka	93,818,608	-
	France	84,202,607	130,036,251
	Sudan	38,549,164	20,612,556
	Cambodia	18,883,757	12,232,658
	Kenya	6,177,926	75,467,480
	Others	13,784,680	26,852,854
	Iraq	-	40,880,365
	Tanzania	-	10,951,741
		25,789,241,526	23,195,152,022

31.2 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

32	COST OF REVENUE	Note	2025 Rupees	2024 Rupees
	Raw and packing material consumed		7,485,281,645	8,023,868,100
	Stores consumed		144,517,525	128,460,037
		32.1	7,629,799,170	8,152,328,137
	Salaries, wages and benefits	32.2	1,362,242,794	999,506,427
	Fuel and power		333,738,216	354,124,260
	Repairs and maintenance		20,040,319	33,352,427
	Toll charges		134,806,593	120,361,561
	Inventories written down		13,998,996	17,486,732
	Depreciation	7.4	207,940,592	177,465,641
	Amortization	8.2	5,737,918	6,304,470
	Factory supplies		27,595,107	23,536,681
	Vehicle running and maintenance		210,342,504	138,773,348
	Insurance		43,310,098	26,777,097
	Printing and stationery		40,778,822	47,501,525
	Fee and subscription		38,871,036	79,805,938
	Rent, rates and taxes	32.3	52,193,625	53,180,688
	Traveling and conveyance		41,326,498	20,827,158
	Consultancy and professional charges		-	10,506,807
	Telephone, postage and communication		973,327	3,410,446
	Training		3,451,566	8,358,537
	Ijarah rentals		1,304,819	-
	Other direct costs		18,034,313	20,819,648
			10,186,486,313	10,294,427,528

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Inventory effect of work in process			
Opening		451,785,182	252,216,352
Closing		(502,840,820)	(451,785,182)
		(51,055,638)	(199,568,830)
Cost of goods manufactured		10,135,430,675	10,094,858,698
Inventory effect of finished goods			
Opening		661,955,592	788,181,310
Closing		(430,855,218)	(661,955,592)
		231,100,374	126,225,718
		10,366,531,049	10,221,084,416
Inventory effect of trading goods			
Opening		81,276,281	143,427,588
Purchases		1,322,733,982	982,301,332
Closing		(108,189,203)	(81,276,281)
		1,295,821,060	1,044,452,639
Cost of goods sold		11,662,352,109	11,265,537,055
32.1 Raw, packing material and store consumed:			
Opening stock		3,134,932,008	3,717,533,104
Add: Purchases during the year		8,015,199,024	7,569,727,041
Less: Closing stock	12	(3,520,331,862)	(3,134,932,008)
Consumed during the year		7,629,799,170	8,152,328,137
32.2 This includes the following staff benefits:			
Defined benefit plan - gratuity		117,374,768	(29,139,313)
Defined contribution plan - provident fund		27,525,189	22,780,435
Provision for compensated leave absences		6,904,374	13,823,744
		151,804,331	7,464,866

32.3 This represents payment amounting to Rs. 52.19 million (2024: Rs. 53.18 million) in respect of rent of warehouses.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

33	DISTRIBUTION, SELLING AND PROMOTIONAL EXPENSES	Note	2025 Rupees	2024 Rupees
	Salaries and benefits	33.1	1,776,755,854	2,012,008,200
	Traveling and conveyance		822,547,612	878,342,366
	Training, seminars and symposia		610,445,870	377,151,714
	Literature, promotion and advertisement material		1,845,715,750	1,269,521,157
	Vehicle running and maintenance		395,718,395	324,326,602
	Freight		212,820,030	204,483,244
	Sample goods		297,622,228	223,681,161
	Newspapers and subscriptions		98,179,069	140,984,148
	Insurance		73,916,453	46,890,787
	Commission on settlement		23,791,595	14,471,865
	Rent, rates and taxes	33.2	11,230,005	53,131,835
	Office supplies		9,740,703	7,642,099
	Printing and stationery		3,460,878	2,893,202
	Repairs and maintenance		6,698,903	123,696,267
	Legal and professional charges		23,598,478	2,498,560
	Ijarah rentals		10,219,713	-
	Depreciation	7.4	77,516,796	91,890,320
	Amortization	8.2	578,569	775,562
	Telephone, postage and communication		5,706,688	28,137,273
	Others		5,667,082	5,261,642
			6,311,930,671	5,807,788,004

33.1 This includes following staff benefits:

Defined benefit plan - gratuity	68,027,920	(48,460,668)
Defined contribution plan - provident fund	45,748,757	44,182,363
Provision for compensated leave absences	7,461,037	19,084,562
	121,237,714	14,806,257

33.2 This represents payment amounting to Rs. 11.23 million (2024: Rs. 53.13 million) in respect of rent of warehouses.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
	Note	Rupees	Rupees
34. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits	34.1	592,083,195	421,140,026
Advertisement, seminars and symposia		37,413,154	20,516,204
Vehicle running and maintenance		98,706,991	80,797,090
Donation	34.3	1,032,500	3,613,440
Repairs and maintenance		9,472,529	15,998,355
Newspapers and subscriptions		45,529,345	58,074,434
Telephone, postage and communication		10,394,119	6,704,637
Rent, rates and taxes		33,681,040	1,664,151
Traveling and conveyance		28,482,364	18,671,572
Legal and professional charges		30,885,991	45,202,785
Electricity, gas and water		14,061,548	50,946,767
Office supplies		20,073,001	15,723,247
Insurance		6,368,099	7,377,341
Printing and stationery		5,990,790	8,593,785
Auditors' remuneration	34.2	6,068,000	4,663,850
Depreciation	7.4	72,630,812	30,214,180
Amortization	8.2	8,433,314	3,755,798
Others		7,540,693	2,588,843
		1,028,847,485	796,246,505
34.1 It includes the following staff benefits:			
Defined benefit plan - gratuity		109,684,834	(37,267,098)
Defined contribution plan - provident fund		14,496,167	13,836,414
Provision for compensated leave absences		758,265	3,581,904
		124,939,266	(19,848,780)
34.2 Auditors' remuneration			
Statutory audit		4,000,000	2,310,000
Fee for review of half yearly financial information		918,000	530,000
Other certification		150,000	887,500
Review of statement of compliance		500,000	240,000
Out of pocket		500,000	696,350
		6,068,000	4,663,850

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

34.3 There is no donation to a party exceeding Rs. 500,000. Further, none of the Directors or their spouses have any interest in the donee.

			2025	2024
35	RESEARCH AND DEVELOPMENT EXPENSES	Note	Rupees	Rupees
	Salaries and benefits	35.1	8,644,330	8,696,171
	Vehicle repair and maintenance		1,963,005	744,186
	Others		186,531	30,625
			10,793,866	9,470,982

35.1 It includes the defined contribution plan - provident fund of Rs. 0.35 million (2024: Rs. 0.26 million).

			2025	2024
36	OTHER OPERATING EXPENSES	Note	Rupees	Rupees
	Workers' Profit Participation Fund	25.5	357,828,611	259,132,924
	Workers' Welfare Fund	25.4	143,131,444	84,067,033
	Central Research Fund		71,565,722	50,367,031
	Allowance for expected credit losses	13.1	10,462,899	35,273,192
	(Reversal) / provision against sales tax refundable	17.1	(88,092,012)	88,092,012
	Exchange loss / (gain)		21,545,938	(1,916,009)
			516,442,602	515,016,183

37	OTHER INCOME			
	Return on deposits and mark-up on interest bearing accounts		51,287,475	72,261,078
	Dividend income on short term investment		3,480,237	71,972,605
	Unrealized gain on re-measurement of short term investment to fair value		176,008,959	157,792,965
	Realised gain on short term investment		168,760,287	79,159,430
	Interest on loan to subsidiary		7,592,011	305,142
	Royalty income from subsidiary		4,485,679	-
	Royalty income from associate		6,354,522	-
	Deferred income	24.1	1,315,308	1,315,410
	Gain on disposal of operating fixed asset	7.1.7	15,528,278	27,791,169
	Scrap sales		5,780,614	17,903,483
	Other income		6,080,226	3,757,604
			446,673,596	432,258,886

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
38	FINANCE COST	Rupees	Rupees
	Finance cost on lease liabilities	42,200,124	69,727,016
	Markup on long term loans	35,676,631	217,671,374
	Markup on short term borrowings	28,897,575	95,573,049
	Bank charges	14,727,616	10,922,218
		121,501,946	393,893,657

39	LEVY		
	Final tax	39.1	-
			19,902,052

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 unconsolidated statement of profit or loss is as follows:

	2025	2024
	Rupees	Rupees
Current tax liability for the year as per applicable tax laws	2,453,197,309	1,524,386,150
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(2,453,197,309)	(1,504,484,098)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	-	(19,902,052)
Difference	-	-

40	TAXATION		
	Current income tax		
	Current year	2,453,197,309	1,504,484,098
	Prior year	(17,445,245)	(36,390,539)
		2,435,752,064	1,468,093,559
	Deferred tax		
	Current year	28,981,745	97,962,210
	Prior year	-	-
		28,981,745	97,962,210
		2,464,733,809	1,566,055,769

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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:

	Note	2025 Rupees	2024 Rupees
Profit before income tax and levy		6,584,046,443	4,839,458,522
Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)		1,909,373,468	1,403,442,971
Effect of allowable / not allowable deductions		(84,901,685)	(228,053,373)
Tax credit		(402,675)	(975,069)
Effect of amounts subject to fixed / final taxes		-	(55,945,602)
Effect of super tax		629,128,201	386,015,171
Prior year income tax charge		(17,445,245)	(36,390,539)
Prior year deferred tax charge		-	-
Average tax expense charged to profit or loss		2,435,752,064	1,468,093,559
Average tax rate charged to profit or loss		36.99%	30.34%

40.2 The aggregate of final tax and income tax amounting to Rs. 2,453.197 million (2024: Rs. 1,524.386 million) represents tax liability of the Company 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:

		2025	2024
Profit after taxation	Rupees	4,119,312,634	3,253,500,701
Weighted average number of ordinary shares	Number of shares	52,983,363	52,983,363
Earnings per share	Rupees	77.75	61.41

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

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
42	CASH FLOWS FROM OPERATING ACTIVITIES	Rupees	Rupees
	Profit before income tax and levy	6,584,046,443	4,819,556,470
	Adjustments for non-cash and other items:		
	Depreciation of operating fixed assets	358,088,200	299,570,141
	Amortization of intangible assets	14,749,801	10,835,830
	Provision / reversal for defined benefit obligation	295,087,646	(114,867,079)
	Provision for slow moving and obsolete stocks	5,314,574	6,517,401
	Provision for Workers' Profit Participation Fund	357,828,611	259,132,924
	Provision for Workers Welfare Fund	143,131,444	84,067,033
	Provision for Central Research Fund	71,565,722	50,367,031
	Finance cost	121,501,946	393,893,657
	Allowance for expected credit losses	10,462,899	35,273,192
	(Reversal) / provision for sales tax refundable	(88,092,012)	88,092,012
	Deferred income	(1,315,308)	(1,315,410)
	Exchange loss / (gain) - net	21,545,938	(1,916,009)
	Gain on disposal of property plant and equipment	(15,528,278)	(27,791,169)
	Un-realized gain on remeasurement of investments	(176,008,959)	(157,792,965)
	Return on deposits	(51,287,475)	(72,261,078)
	Dividend income on short term investment	(3,480,237)	(71,972,605)
		1,063,564,512	779,832,906
	Cash flow before working capital changes	7,647,610,955	5,599,389,376
	Working capital changes:		
	(Increase) / decrease in current assets:		
	Stock in trade	(957,953,772)	571,409,291
	Trade debts	(2,251,868,650)	(224,678,871)
	Advances, trade deposits and prepayments	(92,051,548)	26,510,057
	Other receivables	(274,156)	(25,965,777)
	Tax refunds due from the Government	112,723,237	16,821,726
	Increase / (decrease) in current liabilities:		
	Trade and other payables	355,544,661	708,721,444
	Contract liabilities	164,858,722	(369,921)
		(2,669,021,506)	1,072,447,949
	Cash generated from operations	4,978,589,449	6,671,837,325

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

43 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:

	2025		2024	
	Chief Executive	Executives	Chief Executive	Executives
-----Rupees-----				
Short term employee benefits				
Managerial remuneration	26,187,250	677,468,177	27,609,927	674,917,265
House rent, utilities and medical	12,470,900	291,994,756	7,954,116	266,255,928
Retirement benefits	59,506,877	164,088,974	5,924,228	35,574,052
	98,165,027	1,133,551,907	41,488,271	976,747,245
Number of persons	1	218	1	198

43.1 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.

43.2 Managerial remuneration includes Rs. 122.604 million (2024: Rs. 168.662 million) charged in the unconsolidated statement of profit or loss in respect of bonus to chief executive and executives of the Company.

43.3 In addition, 3 (2024: Nil) directors were paid aggregate fee of Rs 900,000 (2024: Nil). Directors are not paid any remuneration except meeting fee.

44 FINANCIAL RISK MANAGEMENT

44.1 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.

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For The Year Ended 31 December 2025

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's is exposed to foreign exchange risk as at December 31, 2025 as it has financial instruments denominated in currency other than the functional currency of the Company.

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.

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For The Year Ended 31 December 2025

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 2025	Effects on profit before tax 2024
		Rupees	Rupees
Receivables - USD	+15%	23,589,534	6,199,980
	-15%	(23,589,534)	(6,199,980)
Receivables - Euro	+15%	1,294,159	-
	-15%	(1,294,159)	-
Payables - Euro	+15%	(2,031,976)	(6,334,390)
	-15%	2,031,976	6,334,390
Payables - USD	+15%	(39,575,270)	(80,861,965)
	-15%	39,575,270	80,861,965
Bank balance - USD	+15%	34,259,222	11,205,440
	-15%	(34,259,222)	(11,205,440)

	Changes in foreign currency rate	Effects on profit before tax 2025	Effects on profit before tax 2024
		Rupees	Rupees
Cash in hand - Saudi Riyal	+15%	-	79,182
	-15%	-	(79,182)
Cash in hand - Euro	+15%	-	870
	-15%	-	(870)

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

Reporting date rate:	Average rates		Reporting date rate (Bid-Offer average)	
	2025	2024	2025	2024
Rupees				
USD	280.13	280.21	280.17	278.55
Euro	328.85	300.79	314.82	290.08
JPY	1.79	1.89	1.84	1.78
GBP	377.17	354.15	365.66	349.71
AED	76.28	76.29	76.29	75.84
Saudi Riyal	74.70	74.65	74.68	74.14
CNY	40.07	38.90	39.49	38.16

(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 reprice in a given period. The Company 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 Company's interest bearing financial instruments was:

	Note	2025 Rupees	2024 Rupees
Financial assets			
Variable rates instruments			
Cash and bank balances - deposit accounts	18	38,872,521	348,101,621
Short term investments - term deposit receipts	16	400,372,214	166,929,713
Loan to subsidiary	11	425,000,000	-
Financial liabilities			
Variable rates instruments			
Lease liabilities	21	301,342,844	85,239,418
Long term loan	22	6,319,789	447,716,085
Short term borrowing	28	-	750,000,000
Fixed rates instruments			
Lease liabilities	21	192,241,257	50,803,192

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 2025	Effects on profit before tax 2024
		Rupees	
Lease liabilities	+5	(15,067,142)	(4,261,971)
	-5	15,067,142	4,261,971
Long-term Loan	+5	(315,989)	22,385,804
	-5	315,989	(22,385,804)
Short-term investments - term deposit receipts	+5	20,018,611	8,346,486
	-5	(20,018,611)	(8,346,486)
Loan to subsidiary	+5	21,250,000	-
	-5	(21,250,000)	-
Cash and bank balances	+5	23,434,824	72,928,829
- deposit accounts	-5	(23,434,824)	(72,928,829)

(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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Changes in fair value	Effects on profit before tax 2025	Effects on profit before tax 2024
		Rupees	
Short-term investments - mutual funds	+5%	132,962,523	173,596,047
	-5%	(132,962,523)	(173,596,047)

(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:

	2025 Rupees	2024 Rupees
Financial assets at amortized cost:		
Trade receivables	4,207,368,520	2,311,740,481
Advances to employees against salaries	30,076,384	26,014,292
Trade deposits	107,331,989	48,748,192
Other receivables	224,606,241	148,510,886
Loan to subsidiary	425,000,000	-
Short term investments - Term deposit receipts	400,372,214	166,929,713
Bank balances	468,696,488	1,458,576,571
	5,863,451,836	4,160,520,135

(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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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.

	2025	2024
Geographical concentration of credit risk is as follows:	Rupees	Rupees
Pakistan	4,109,586,132	2,238,484,991
Kenya	-	28,731,369
Cambodia	425,324	424,992
Sudan	12,089	11,361
Afghanistan	154,173,067	89,664,744
Mauritius	-	5,370,178
Tanzania	-	6,698,845
France	8,627,741	-
Sri Lanka	24,803	-
Thailand	2,301,703	-
Zambia	326,560	-
	4,275,477,418	2,369,386,480

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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, 2025

Estimated total gross carrying

amount at default	1,643,486,057	2,224,128,870	235,310,451	6,660,754	4,109,586,132
Expected credit loss	13,103,776	19,845,656	34,423,063	736,403	68,108,898
Expected credit loss rate	0.80%	0.89%	14.63%	11.06%	

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%	

(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:

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Rating			2025 Rupees	2024 Rupees
	Short term	Long term	Agency		
Bank balances:					
Allied Bank Limited	A-1+	AAA	PACRA	34,699	70,929
Askari Bank Limited	A-1+	AA+	PACRA	7,789,771	12,479,148
Bank Al Habib Limited	A-1+	AAA	PACRA	23,730	18,730
Bank Alfalah Limited	A-1+	AAA	PACRA	5,758	257
Bank Islami Pakistan Limited	A-1	AA-	PACRA	2,009,831	-
Bank Makramah Limited	A-3	BBB-	VIS	32,463	-
Habib Bank Limited	A-1+	AAA	VIS	32,563,584	219,654,799
Dubai Islamic Bank	A-1+	AA	VIS	39,524	111,000,449
Faysal Bank Limited	A-1+	AA	PACRA	58,274	-
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	30,775,068	19,982,973
JS Bank Limited	A-1+	AA	PACRA	867,492	1,072,189
MCB Bank Limited	A-1+	AAA	PACRA	523,339	3,811,028
Meezan Bank Limited	A-1+	AAA	VIS	392,790,504	1,084,491,464
Mobilink Microfinance Bank Limited	A-1	A	PACRA	752,697	2,342,995
National Bank Of Pakistan	A-1+	AAA	PACRA	10,000	-
Summit Bank	A-3	BBB-	VIS	-	25,259
Standard Chartered Bank	A-1+	AAA	PACRA	402,382	402,382
United Bank Limited	A-1+	AAA	VIS	17,372	3,223,969
				468,696,488	1,458,576,571
Bank balances:					
Short-term investments - term deposit receipts					
First Habib Modaraba	A-1+	AA+	PACRA	394,372,214	159,729,713
Askari Bank Limited	A-1+	AA+	PACRA	-	7,200,000
JS Bank	A-1+	AA	PACRA	6,000,000	-
				400,372,214	166,929,713

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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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		2025 Rupees	2024 Rupees
	Long term	Agency		
Short-term investments - mutual funds				
Alfalah GHP Money Market Fund	AA+(f)	PACRA	343,450,947	520,888,356
Alfalah GHP Income Fund (AGHPIF)	AA-(f)	PACRA	1,665	-
MCB Cash Management Optimizer Fund	AA+(f)	PACRA	211,908,831	215,329,898
Faysal Halal Amdani Fund	AA(f)	PACRA	323,883	303,365
Faysal Islamic cash fund	AA(f)	PACRA	16,963	-
NBP Money Market Fund	AA(f)	PACRA	-	522,825
NBP Financial Sector Income Fund	A+(f)	PACRA	-	122,532,634
UBL Money Market Fund- Class "C"	AA+(f)	PACRA	-	256,261,836
UBL Liquidity Plus Fund	AA+(f)	PACRA	140,270	130,968
UBL Government Securities Fund	AA+(f)	PACRA	200,000,000	-
UBL Income Opportunity Fund	AA(f)	PACRA	766,446	-
UBL Al Amin Shariah Fund	AA(f)	PACRA	4,185	2,944
UBL Growth And Income Fund - Class 'lu'	A+(f)	PACRA	47,000	-
Al-Ameen Islamic Energy Fund - Class 'A'	AA(f)	PACRA	12,155	-
Ubl Liquidity Fund - Class 'A'	AA+(f)	PACRA	207,580,973	-
NIT Social Impact Fund	A+(f)	VIS	260,734,256	450,313,164
NIT Government Bond Fund	AA(f)	PACRA	12,029,417	575,819,378

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Rating		2025 Rupees	2024 Rupees
	Long term	Agency		
NIT Income Fund	AA-(f)	PACRA	317,163	50,000,000
NIT Money Market Fund	AAA(f)	PACRA	203,442,542	-
Pak Qatar Income Plan	AA-(f)	PACRA	105,120,676	385,598,185
HBL Money Market Fund	AA+(f)	PACRA	780,704	618,572
Financial Sector Income Fund Plan I	A+(f)	PACRA	7,556	-
ABL Government Securities Funds B	AA-(f)	PACRA	137	124
ABL Fixed Rate Plan VIII	AM 1	PACRA	-	105,783,000
ABL Fixed Rate Plan XII	A+(f)	PACRA	-	538,395,881
ABL Fixed rate plan-XX	A+(f)	PACRA	204,642,000	-
ABL FIXED RATE PLAN - XIX	AA+	PACRA	114,952,199	-
ABL Cash Fund	AA+(f)	PACRA	-	41,029
JS Cash Fund	AA+(f)	PACRA	67,869	63,251
JS Microfinance Sector Fund	A(f)	PACRA	257,805,341	-
AL Habib Income Fund	AM 1	PACRA	529,698	119,084,173
AL Habib Money Market Fund	AAA(f)	PACRA	101,732,375	-
Lakson Income Fund	A+(f)	PACRA	179,033,956	130,231,350
Lucky Islamic Money Market Fund	AA+(f)	PACRA	50,000,000	-
Meezan Cash Fund	AA+(f)	PACRA	184,195,700	-
Meezan Gold Fund	AM 1	PACRA	19,590,109	-
Meezan Rozana Amdani Fund	AA+(f)	PACRA	15,452	-
			2,659,250,468	3,471,920,933

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

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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.

	Carrying amount	Contractual cash flows	within 1 year	1 to 2 years	2 to 5 years	More than 5 years
-----Rupees-----						
31 December 2025						
Lease liabilities	493,584,101	617,801,350	163,057,411	157,768,333	296,975,606	-
Long term Loan	6,319,789	14,255,709	4,194,723	4,097,316	5,963,670	-
Short term borrowings	-	-	-	-	-	-
Trade and other payables	2,398,911,525	2,398,911,525	2,398,911,525	-	-	-
Unclaimed dividend	304,559,821	304,559,821	304,559,821	-	-	-
	3,203,375,236	3,335,528,405	2,870,723,480	161,865,649	302,939,276	-
31 December 2024						
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	-

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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

44.2 Financial instruments by categories

2025		
AT FVTPL	Amortized cost	Total

-----Rupees-----

Assets as per unconsolidated statement of financial position:

Long term deposits	-	81,588,597	81,588,597
Loan to employees	-	57,841,093	57,841,093
Trade receivables	-	4,207,368,520	4,207,368,520
Trade deposits	-	25,743,392	25,743,392
Other receivables	-	72,044,757	72,044,757
Cash and bank	-	468,796,488	468,796,488
Short term Investments	2,659,250,468	400,372,214	3,059,622,682
	2,659,250,468	5,313,755,061	7,973,005,529

2024		
AT FVTPL	Amortized cost	Total

-----Rupees-----

Assets as per unconsolidated statement of financial position:

Long term deposits	-	24,916,894	24,916,894
Advances	-	26,014,292	26,014,292
Trade receivables	-	2,311,740,481	2,311,740,481
Trade deposits	-	23,831,298	23,831,298
Other receivables	-	36,823,719	36,823,719
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	4,049,463,362	7,521,384,295

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	2025	2024
	At amortized cost	
	-----Rupees-----	
Liabilities as per unconsolidated statement of financial position:		
Lease liabilities	493,584,101	136,042,610
Long term loan	6,319,789	447,716,085
Unclaimed dividend	304,559,821	210,193,857
Short term borrowings	-	750,000,000
Trade and other payables	2,398,911,525	2,037,035,190
	3,203,375,236	3,580,987,742

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 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 2025

	Note	2025 Rupees	2024 Rupees
The debt - to - equity ratio as at 31 December is as follows:			
Long term loan		6,319,789	447,716,085
Lease liabilities		493,584,101	136,042,610
Trade and other payables		2,983,181,105	2,621,067,508
		3,483,084,995	3,204,826,203
Add: Short term borrowings		-	750,000,000
Less: Bank and term - deposits		(869,168,702)	(1,626,136,678)
Net debt		2,613,916,293	2,328,689,525
Share capital		529,833,630	529,833,630
Revaluation surplus on operating fixed assets		842,005,340	865,425,008
Revenue reserves		11,798,168,844	9,825,907,063
		13,170,007,814	11,221,165,701
Total capital employed		15,783,924,107	13,549,855,226
		17%	17%

46. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2025		
	Long-term loan	Lease liabilities	Total
As at December 31, 2025	-----Rupees-----		
Opening balance	447,716,085	136,042,610	583,758,695
Additions	-	498,332,425	498,332,425
Cash flows - net	(477,072,927)	(182,991,058)	(660,063,985)
Finance cost	35,676,631	42,200,124	77,876,755
Closing balance	6,319,789	493,584,101	499,903,890

	2024		
	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	-	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 2025

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 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:

- 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	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, 2025	-----Rupees-----			
Short-term investment	2,659,250,468	-	-	2,659,250,468
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	2,659,250,468	654,495,000	1,157,390,000	4,471,135,468

	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
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

Movements of the above mentioned operating fixed assets and surplus on revaluation of these assets have been disclosed in Note 7 and Note 20, 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

47.2 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.

Description	2025 Rupees	2024 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 neighborhood and neighboring 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.

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

Description	2025 Rupees	2024 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
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.

47.3 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.

48. 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 43). The transactions with related parties are carried out under the related party transactions policy approved by the Board of Directors of the Company. Details of transactions with related parties and balances with them at year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

48.1 Related party disclosure

Name of related party	Relationship	Nature of transaction	2025 Rupees	2024 Rupees
Curexa Health (Private) Limited	Subsidiary (100% owned subsidiary)	Sales during the year	526,613,328	-
		Purchases	231,742,630	94,816,547
		Royalty Income	4,485,679	-
		Sale of fixed assets	38,321,201	11,574,291
		Payments during the year	-	83,785,049
		Receipts during the year	220,856,989	6,872,574
		Payments made on behalf	25,557,928	7,189,855
		Loan repayment received	-	10,000,000
		Interest on loan to subsidiary	7,592,011	305,142
		Receivable adjusted against loan	150,777,712	-
		Equity investment	125,000,000	-
		Loan to subsidiary	425,000,000	-
Route 2 health (Private) Limited	Associate (Common directorship and shareholder of 0.45% (2024:0.45%))	Sales during the year - net	115,296,184	-
		Purchases - net	-	44,894,204
		Royalty Income	6,354,522	-
		Sale of fixed assets	152,271	-
		Payments during the year	-	42,741,032
		Receipts during the year	127,073,970	-
		Purchase return	7,424,165	-
		Dividend declared	9,523,160	20,439,870
		Dividend paid	9,523,160	20,439,870
Pharmatec Investments Limited	Associate (Common Control and Shareholder of 8.34% (2024:8.34%))	Dividend declared	176,649,680	132,487,260
		Dividend paid	176,649,680	243,787,108
	Staff retirement funds and welfare trust	Contribution to retirement benefit plans	88,374,163	80,799,212
		Dividend paid to retirement benefit plans	8,542,000	6,406,500
		Contribution to staff welfare trust	3,689,049	3,775,483
		Dividend paid to retirement benefit plans	7,860,680	7,743,690

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

48.2 Balance outstanding as at reporting date:

			2025 Rupees	2024 Rupees
Curexa Health (Private) Limited	Subsidiary (100% owned subsidiary)	Trade receivables	101,544,385	-
		Other receivables	29,675,707	11,574,291
		Accrued Income	1,182,903	-
		Trade and other payables	128,997,228	7,361,340
Route 2 Health (Pvt) Ltd	Associate (Common directorship and shareholder of 0.45% (2024:0.45%))	Trade and other payables	-	2,153,172

48.3 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.

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

49. NUMBER OF EMPLOYEES

	2025	2024
Number of employees at the end of the year	2,131	2,263
Average number of employees during the year	2,197	2,279

50. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However no significant rearrangement / reclassification has been done during the year except for the following.

Reclassification from	Reclassification to	Amount (Rupees)
Unconsolidated Statement of financial position		
Tax refunds due from the Government	Taxation - net	15,209,679

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

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

51. PLANT CAPACITY AND PRODUCTION

Annual production	2025 Million units	2024 Million units
Packs solids	78.09	72.27
Packs liquids	18.84	18.72
Packs drops	8.98	9.45
Packs suspension	7.27	10.02
Packs devices	0.68	0.93
Packs sachets	0.44	0.50
Packs cream	0.01	0.06
Total units	114.31	111.95

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.

52. SEGMENT REPORTING

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

53. EVENTS AFTER THE REPORTING DATE

53.1 Subsequent to the reporting date, the Board of the Company in its meeting held on February 2, 2026 approved, in principle, a potential acquisition of a company.

The proposed acquisition is expected to strengthen the Company's strategic position through potential expansion of its business footprint, enhancement of its product portfolio and capabilities, and realization of operational and commercial synergies, including broader market access and distribution efficiencies.

The transaction is currently at an evaluation stage and remains subject to completion of due diligence, negotiation and execution of definitive agreements, receipt of applicable corporate and regulatory approvals, and satisfaction of other customary conditions precedent. Accordingly, the financial impact, if any, cannot presently be determined. Further disclosures will be made as required under applicable laws and the rules of Pakistan Stock Exchange.

53.2 The Board of Directors of the Company in its meeting held on April 6th 2026 has proposed cash dividend at the rate of Rs. 50 (2024: Rs. 40) per share subject to the approval of shareholders in the Annual General Meeting to be held on April 30th 2026. These unconsolidated financial statements do not reflect these appropriations..

54. SHARIAH COMPLIANCE DISCLOSURE

The Company is listed on the PSX-KMI All Shares Index. 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:

Unconsolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

Description	Explanation	2025 Rupees	2024 Rupees
Liabilities			
Accrued markup	Non-shariah compliant	694,954	882,642
Long term loan - secured	Shariah Compliant	-	437,500,000
Short term borrowings	Shariah Compliant	-	750,000,000
Assets			
Short term investment	Shariah Compliant	598,173,475	159,729,713
Bank balances	Shariah Compliant	394,898,134	445,491,913
Bank deposits	Shariah Compliant	39,347,824	-
Unconsolidated Statement of Profit or Loss			
Revenue from contracts with	Shariah Compliant	25,789,241,526	23,195,152,022
Profit on deposits accounts	Shariah Compliant	47,285,146	68,479,084
Profit on deposits accounts	Non-shariah compliant	4,011,341	3,781,994
Income on mutual fund :			
Unrealized gain	Shariah Compliant	3,986,177	-
Realized gain	Shariah Compliant	538,117	-
Exchange gain / (loss)	Shariah Compliant	(21,545,938)	1,916,009
Finance cost paid	Non-shariah compliant	19,648,141	61,755,767
Finance cost paid	Shariah compliant	44,926,065	251,488,656
Source and detailed breakup of other incomes			
Dividend income on short term investment	Non-shariah compliant	3,480,237	71,972,605
Unrealized gain on re-measurement of short term investment to fair value	Non-shariah compliant	172,022,782	157,792,965
Realized gain on short term investment	Non-shariah compliant	168,222,170	79,159,430
Interest on loan to subsidiary	Non-shariah compliant	7,592,011	305,142
Royalty income from subsidiary	Shariah Compliant	4,485,679	-
Royalty income from associate	Shariah Compliant	6,354,522	-
Deferred income	Non-shariah compliant	1,315,308	1,315,410
Gain on disposal of operating fixed asset	Shariah Compliant	15,528,278	27,791,169
Scrap sales	Shariah Compliant	5,780,614	17,903,483
Other income	Shariah Compliant	6,080,226	3,757,604

Relationships with banks having Islamic window

Bank Name	Nature of transactions
Meezan Bank Limited	Bank deposits, investments and bank balances
First Habib Modaraba	Investments
Faysal Bank Limited	Bank balances
Dubai Islamic Bank Limited	Bank balances
Bank Islamic Pakistan Limited	Bank balances

55. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated financial statements for issuance on 6th April 2026.

56. 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 Alidina
Chief Financial Officer

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Consolidated Financial Statements

GROUP DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Directors are pleased to present the Consolidated Financial Statements of Highnoon Laboratories Limited ("the Holding Company") and its wholly owned subsidiary, Curexa Health (Private) Limited ("the Subsidiary"), for the year ended December 31, 2025, together with a review of the overall performance of the Group.

This report focuses on the operational performance of the subsidiary and key initiatives undertaken from a Group perspective. It provides an overview of strategic developments, operational highlights, and contributions made by the subsidiary to the Group's consolidated performance.

The contents of the Chairman's Review and the Directors' Report on the performance and financial position of the Holding Company, as applicable, form part of this report.

	2025	2024
	(Rupees in Millions)	
KEY FINANCIAL HIGHLIGHTS		
Profit before tax	6,604	5,032
Profit after tax	4,128	3,389
Earnings Per Share (Rupees)	77.92	63.95

EARNINGS PER SHARE

Based on the consolidated audited financial statements of the Group for the year ended December 31, 2025, basic and diluted earnings per share is Rs. 77.92 (2024: Rs. 63.95).

THE SUBSIDIARY'S OPERATIONS AND GROUP PERSPECTIVE

The subsidiary operates a dedicated Cephalosporin manufacturing facility and currently produces a range of cephalosporin products for its Holding Company, ensuring consistent supply and adherence to stringent quality standards.

According to IQVIA, the subsidiary's flagship brands, CEFTRIO®, XORBACT®, and CEFIA, recorded sales revenue of Rs. 882 million, Rs. 480 million, and Rs. 500 million, respectively. All three brands are ranked within the top 15 in their respective molecule markets. This performance highlights the growing market acceptance of acute primary care brands and the subsidiary's contribution to the Group's growth.

OPERATIONAL EXCELLENCE

During the year, the Group successfully completed several key infrastructure improvement projects designed to enhance quality, strengthen compliance, and support the scalability of its operations. These initiatives reflect the Group's continued focus on aligning its facilities and processes with evolving regulatory requirements and global best practices.

As part of its commitment to environmental stewardship, the Group commissioned an effluent water treatment plant. This facility ensures the effective treatment and decontamination of wastewater generated from operations, significantly reducing environmental impact and reinforcing the Group's responsibility towards sustainable resource management.

Through these efforts, the Group remains dedicated to building a resilient, compliant, and environmentally responsible organization that supports long-term growth and value creation.

WAY FORWARD

The Board extends its sincere gratitude to the Group's valued customers, stakeholders, and partners for their continued trust and patronage. The confidence placed in the Group's vision and capabilities has been a key driver behind its strong performance, enabling Highnoon to achieve growth that outpaces the market and positions the Company for a promising future.

As part of its long-term vision, the Group is focused on positioning Highnoon as a quality-driven pharmaceutical company with a growing footprint in both domestic and international markets. In line with this objective, the Group is actively pursuing accreditation from a recognized international regulatory authority. This strategic initiative will not only enhance the compliance framework but also unlock new opportunities for expansion in regulated markets.

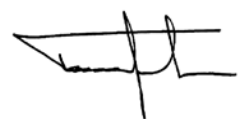
The Group deeply values the trust its customers place in its products and services, and remains dedicated to consistently delivering quality that meets and exceeds expectations.

The Board acknowledges the dedication, professionalism, and commitment of the Group's employees, whose efforts continue to underpin the Group's performance and long-term strategic objectives.

The Group remains committed to sustainable growth, operational excellence, and long-term value creation for all its stakeholders.



Dr. Adeel Abbas Haideri
Chief Executive Officer
Lahore
6th April 2026



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 (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, 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 summary of material accounting policies 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, 2025, 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 Auditors' 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, 2025, the Group reported net revenue of Rs. 27.706 billion, compared to Rs. 24.641 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; • Seen the approval of the Board for credit sales to distributors; • 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 12 to the consolidated 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. 5.714 billion as compared to Rs. 4.718 billion which represents 21% increase 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 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 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 - 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 Auditors' 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 auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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

Lahore
April 10, 2026
UDIN: AR202510087tv5QE7xVJ



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

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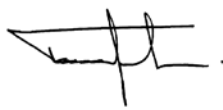
Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	7	4,400,566,790	3,915,194,250
Intangible assets	8	37,851,548	46,866,785
Goodwill	9	834,230	834,230
Long-term deposits	10	84,586,147	25,566,894
Long-term loans and advances	11	54,421,386	65,250,481
		4,578,260,101	4,053,712,640
Current assets			
Inventories	12	5,713,841,339	4,717,791,824
Trade receivables	13	4,400,848,568	2,423,596,428
Advances, trade deposits and prepayments	14	657,630,072	553,381,259
Other receivables	15	176,743,922	137,574,581
Short term investments	16	3,059,622,682	3,638,850,646
Tax refunds due from the Government	17	265,482,460	197,100,348
Taxation - net	29	-	15,209,679
Cash and bank balances	18	584,225,906	1,493,747,356
		14,858,394,949	13,177,252,121
TOTAL ASSETS		19,436,655,050	17,230,964,761



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	19	1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	19	529,833,630	529,833,630
Capital reserve			
Surplus on revaluation of property, plant and equipment	20	1,041,210,488	1,077,558,758
Revenue reserves		12,181,933,023	10,187,737,871
Total equity		13,752,977,141	11,795,130,259
Non-current liabilities			
Lease liabilities	21	380,821,593	70,062,585
Long term loan - secured	22	2,423,493	318,819,789
Deferred tax liabilities	23	250,433,156	279,379,302
Deferred liabilities	24	145,253,907	403,793,433
		778,932,149	1,072,055,109
Current liabilities			
Trade and other payables	25	3,066,846,080	2,940,881,031
Contract liabilities	26	236,624,569	232,168,169
Unclaimed dividend		304,559,821	210,193,857
Current portion of long term liabilities	27	117,974,112	196,306,054
Short term borrowings	28	301,798,222	784,230,282
Taxation - net	29	876,942,956	-
		4,904,745,760	4,363,779,393
TOTAL EQUITY AND LIABILITIES		19,436,655,050	17,230,964,761
CONTINGENCIES AND COMMITMENTS	30		

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq Alidina
Chief Financial Officer

Consolidated Statement of Profit or Loss

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers- net	31	27,705,637,954	24,640,892,959
Cost of revenue	32	(12,507,003,884)	(12,111,880,293)
Gross profit		15,198,634,070	12,529,012,666
Distribution, selling and promotional expenses	33	(7,097,071,133)	(6,058,394,373)
Administrative and general expenses	34	(1,213,403,604)	(930,223,552)
Research and development expenses	35	(10,793,866)	(9,470,982)
Other operating expense	36	(583,491,230)	(532,549,199)
		(8,904,759,833)	(7,530,638,106)
Profit from operations		6,293,874,237	4,998,374,560
Other income	37	440,979,972	441,506,392
Finance cost	38	(130,906,685)	(407,381,214)
Profit before income tax and levy		6,603,947,524	5,032,499,738
Levy	39	(13,232,674)	(19,930,608)
Profit before income tax		6,590,714,850	5,012,569,130
Taxation	40	(2,462,397,447)	(1,624,053,116)
Profit for the year		4,128,317,403	3,388,516,014
Earnings per share - basic and diluted	41	77.92	63.95

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Profit for the year		4,128,317,403	3,388,516,014
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Effect of deferred tax due to change in effective tax rate	20	-	(7,711,645)
Remeasurement loss on gratuity	24.2.3	(83,829,510)	(52,166,835)
Related deferred tax	23.1	32,693,509	20,345,066
		(51,136,001)	(31,821,769)
Items to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive loss for the year		(51,136,001)	(39,533,414)
Total comprehensive income for the year		4,077,181,402	3,348,982,600

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.


Dr. Adeel Abbas Haideri
Chief Executive Officer


Taufiq Ahmed Khan
Director


Ashfaq Alidina
Chief Financial Officer

Consolidated Statement of Cash Flow

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	4,891,507,187	6,915,074,491
Income tax paid		(1,686,591,649)	(1,514,788,679)
Gratuity paid		(636,255,799)	(61,708,571)
Finance cost paid		(133,992,150)	(432,525,409)
Workers' Welfare Fund paid		(194,511,369)	(40,736,539)
Workers' Profit Participation Fund paid		(374,598,757)	(443,212,377)
Loan to employees - net		8,081,109	5,374,942
Long term advances		782,444	-
Central Research Fund paid		(54,508,412)	(36,449,075)
		(3,071,594,583)	(2,524,045,708)
Net cash generated from operating activities		1,819,912,604	4,391,028,783
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(454,981,134)	(247,714,608)
Purchase of intangible assets		(5,734,564)	(25,417,036)
Long term deposits - net		(59,019,253)	(973,465)
Short term investments - net		755,236,923	(1,391,423,109)
Return on deposit		55,485,042	72,261,078
Realised income on short term investments		-	79,159,430
Additions in long-term advances		-	(337,622)
Dividend income on short term investments		3,480,237	71,972,605
Proceeds from disposal of operating fixed assets		65,686,541	97,315,062
Net cash flows generated from / (used in) investing activities		360,153,792	(1,345,157,665)

Consolidated Statement of Cash Flow

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities-net	21	(140,790,934)	(392,517,755)
Repayment of long term loan	22.1	(441,396,296)	(266,396,296)
Long term advances (payable) - net		-	(450,000)
Dividend paid		(2,024,968,556)	(1,629,168,260)
Net cash flows used in financing activities		(2,607,155,786)	(2,288,532,311)
Net (decrease) / increase in cash and cash equivalents		(427,089,390)	757,338,807
Cash and cash equivalents at beginning of the year		709,517,074	(47,821,733)
Cash and cash equivalents at end of the year	18.3	282,427,684	709,517,074

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2025

	Share capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed assets	General reserve	Unappropriated profits	Sub total	
----- Rupees -----						
Balance as at January 01, 2024	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 December 31, 2023	-	-	-	(1,589,500,890)	(1,589,500,890)	(1,589,500,890)
Total comprehensive income for the year						
Profit for the year	-	-	-	3,388,516,014	3,388,516,014	3,388,516,014
Other comprehensive loss 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 unappropriated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(40,567,899)	-	40,567,899	40,567,899	-
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
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 40 per share for the year ended December 31, 2024	-	-	-	(2,119,334,520)	(2,119,334,520)	(2,119,334,520)
Total comprehensive income for the year	-	-	-	4,128,317,403	4,128,317,403	4,128,317,403
Profit for the year	-	-	-	(51,136,001)	(51,136,001)	(51,136,001)
Other comprehensive loss for the year	-	-	-	4,077,181,402	4,077,181,402	4,077,181,402
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(36,348,270)	-	36,348,270	36,348,270	-
Balance as at December 31, 2025	529,833,630	1,041,210,488	114,000,000	12,067,933,023	12,181,933,023	13,752,977,141

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Taufiq Ahmed Khan
Director



Ashfaq Alidina
Chief Financial Officer

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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 Holding Company 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 applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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, and
- recognition of employee retirement benefits at present value; and

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 Holding Company and its Subsidiary are presented separately.

3.3 Functional and presentation currency

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

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their consolidated financial statements.

4.2 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 Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 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
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

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, 2027.

5. SIGNIFICANT ESTIMATES AND JUDGMENTS AND OTHER ACCOUNTING POLICY INFORMATION

5.1 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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
- Staff retirement benefits	6.3
- Revaluation and useful life of property, plant and equipment	6.4
- Refund liability	6.7
- Taxation	6.8
- Impairment of non-financial assets	6.12.5
- Expected credit loss	6.12.5

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 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 consolidated 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.

6.3 Staff retirement benefits

The main features of the schemes operated by the Group for its employees are as follows:

Defined benefit plan - Gratuity

The Group 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. During the year, the Group has paid its gratuity obligations through full and final payments to non-workmen employees. Accordingly, no material obligation remains outstanding at the reporting date, except for gratuity pertaining to a workmen employees only, whose benefits will be settled upon retirement in the ensuing financial year. The residual liability has been duly recognized in these consolidated financial statements in accordance with applicable accounting standards.

This valuation is carried out by an independent actuary as at December 31, 2025 using the project unit credit method.

The Group'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, 2025.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Group 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 consolidated statement of profit or loss. Past service costs are immediately recognized in consolidated statement of profit or loss.

Defined contribution plan - Provident Fund

The Group operates provident fund for all its confirmed, permanent employees. Equal monthly contributions are made both by the Group and the employees. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under these schemes.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 consolidated 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 consolidated 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

6.6 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated 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).

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.

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 2025

b) Deferred Tax

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

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 consolidated 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 Basis of consolidation

The Group's consolidated financial statements include the financial statement of the Holding Company and its subsidiary. 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 the consolidated 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 the Subsidiary 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

6.11 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.

6.12 Financial instruments

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

6.12.1 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.

6.12.2 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 Group 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 Group'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 the consolidated statement of profit or loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit or loss.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 Group 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 Group 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 Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

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

6.12.3 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 consolidated statement of profit or loss.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

6.12.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if the Group 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.

6.12.5 Impairment

Financial assets

The Group recognizes expected credit loss on financial assets measured at amortized cost. The Group 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group 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 Group 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 Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Group'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.

6.13 Dividend

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

6.14 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 Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to consolidated 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 instalments.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

6.15 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

6.16 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 consolidated statement of profit or loss.

6.17 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 consolidated statement of profit or loss in the period in which they are incurred.

6.18 Earning Per share

The Group 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 Group by the weighted average number of ordinary shares outstanding during the year.

6.19 Related party transactions

Related party transactions are undertaken in the normal course of business and are carried out in accordance with the Group's policy on related party transactions, as approved by the Board of Directors upon the recommendations of the Board Audit Committee.

6.20 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.

			2025	2024
7	PROPERTY, PLANT AND EQUIPMENT	Note	Rupees	Rupees
	Operating fixed assets	7.1	3,563,700,192	3,624,780,882
	Right of use assets	7.2	557,996,242	89,084,423
	Capital work in progress	7.3	278,085,356	177,078,595
	Advances against capital assets		785,000	24,250,350
			4,400,566,790	3,915,194,250

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.1 Operating fixed assets

	Owned assets								Total
	Land - freehold	Building on freehold land	Leasehold improvement	Plant and machinery	Laboratory equipment	Furniture and fixtures	Electric and gas appliances	Office equipment	
Note	----- (Rupees) -----								

Year ended December 31, 2025

Net carrying value basis

Opening net book value	1,078,840,082	564,693,782	24,482,826	1,301,895,812	105,074,764	43,868,827	56,501,622	54,507,724	394,915,443	3,624,780,882
Additions	-	38,116,607	45,895,314	107,157,391	21,407,059	9,168,367	4,163,431	34,096,875	25,257,802	285,262,846
Transfers	-	-	-	34,857,080	-	-	-	-	8,304,576	43,161,656
Disposals (NBV)	-	-	-	-	(140,298)	-	-	(1,553,533)	(43,797,416)	(45,491,247)
Written off	-	-	-	-	-	-	-	-	(4,667,016)	(4,667,016)
Depreciation charge	-	(63,186,188)	(14,075,628)	(144,481,164)	(13,048,686)	(5,591,757)	(5,880,318)	(18,256,846)	(74,826,342)	(339,346,929)
Closing net book value	1,078,840,082	539,624,201	56,302,512	1,299,429,119	113,292,839	47,445,437	54,784,735	68,794,220	305,187,047	3,563,700,192

Gross carrying value basis

Cost / revalued amount	1,078,840,082	1,513,394,988	95,299,546	2,821,087,928	197,636,183	95,190,940	109,089,684	189,547,362	604,363,492	6,704,450,205
Accumulated depreciation	-	(973,770,787)	(38,997,034)	(1,521,658,809)	(84,343,344)	(47,745,503)	(54,304,949)	(120,753,142)	(299,176,445)	(3,140,750,013)
Net book value	1,078,840,082	539,624,201	56,302,512	1,299,429,119	113,292,839	47,445,437	54,784,735	68,794,220	305,187,047	3,563,700,192

Year ended December 31, 2024

Net carrying value basis

Opening net book value	764,495,000	404,291,000	30,603,533	1,150,774,000	104,465,075	37,408,393	46,289,953	47,870,552	210,896,834	2,797,094,340
Additions	314,345,082	211,789,907	-	141,700,623	12,946,349	11,621,324	15,165,547	23,022,088	-	730,590,920
Transfers	-	-	-	129,814,580	-	-	-	-	254,070,373	383,884,953
Disposals (NBV)	-	-	-	-	-	-	-	(671,702)	(31,298,137)	(31,969,839)
Depreciation charge	-	(51,387,125)	(6,120,707)	(120,393,391)	(12,336,660)	(5,160,890)	(4,953,878)	(15,713,214)	(38,753,627)	(254,819,492)
Closing net book value	1,078,840,082	564,693,782	24,482,826	1,301,895,812	105,074,764	43,868,827	56,501,622	54,507,724	394,915,443	3,624,780,882

Gross carrying value basis

Cost / revalued amount	1,078,840,082	1,475,278,381	49,404,232	2,679,073,457	176,369,422	86,022,573	104,926,253	157,004,020	619,265,546	6,426,183,966
Accumulated depreciation	-	(910,584,599)	(24,921,406)	(1,377,177,645)	(71,294,658)	(42,153,746)	(48,424,631)	(102,496,296)	(224,350,103)	(2,801,403,084)
Net book value	1,078,840,082	564,693,782	24,482,826	1,301,895,812	105,074,764	43,868,827	56,501,622	54,507,724	394,915,443	3,624,780,882

Depreciation Rate

20%

10% - 50%

10%

10%

10%

10%

20%

10% - 25%

7.1.1 There are fully depreciated assets, having cost of Rs. 206.075 million (December 31, 2024: Rs. 203.794 million) that are still in use as of the reporting date.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.1.2 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. 902.24 million over the net carrying value of assets

	2025	2024
	Rupees	Rupees
7.1.3 Had the assets not been revalued, the carrying values would have been:		
Land - freehold	355,486,621	355,486,621
Building on freehold land	380,635,863	387,150,305
Plant and machinery	957,005,645	921,425,280
7.1.4	1,693,128,129	1,664,062,206

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

Carrying value of assets:		
Land - freehold	1,078,840,082	1,078,840,082
Building on freehold land	539,624,202	564,693,782
Plant and machinery	1,299,429,119	1,301,895,812
	2,917,893,403	2,945,429,676
Less: Revaluation surplus	(1,041,210,488)	(1,077,558,758)
Less: Related deferred tax	(183,554,786)	(203,808,712)
	(1,224,765,274)	(1,281,367,470)
Carrying value without revaluation surplus	1,693,128,129	1,664,062,206

7.1.5 Particulars of immovable assets of the Group are as follows:

Location and address	Usage of immovable property	Land area (kanal)	Coverage area (sqr.ft)
Land: Situated at 17.5KM 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

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.1.6 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 -----								
Motor Cars	Reg. No							Person Name
Suzuki Cultus VXR	AEM 129	1,766,920	979,863	787,057	1,286,705	499,648	As per the Company policy	Adnan Shareef
Suzuki Alto	ABF 795	1,433,000	904,739	528,261	1,024,492	496,231	As per the Company policy	Shakeel Ahmed Khan
Suzuki Alto	ABV 376	1,433,000	893,734	539,266	1,000,203	460,937	As per the Company policy	M Aurangzaib
Cultus	AFU 485	1,691,430	925,009	766,421	1,175,775	409,354	As per the Company policy	M Kamran
Suzuki Alto	AFR 434	1,335,000	655,752	679,248	988,663	309,415	As per the Company policy	M Daniyal
Suzuki Motor Car	ADX 037	1,394,881	805,683	589,198	882,780	293,582	As per the Company policy	M Naqash
Suzuki Alto	ABF 053	1,433,000	904,739	528,261	718,434	190,173	As per the Company policy	Arif Khan
Fortuner Sigma	ANH 733	15,796,409	1,842,914	13,953,495	15,550,000	1,596,505	Market Sale	Humza Hussain
Hyundai Tucson FWD GLS	ATL 373	8,457,750	493,369	7,964,381	7,889,786	(74,595)	Market Sale	M Sohail
Suzuki Motor Car	ADX 843	1,394,881	816,594	578,287	1,007,411	429,124	Market Sale	Zakir Khan
Alto VXR	APY 718	2,359,800	39,330	2,320,470	2,480,000	159,530	Market Sale	M Amanullah
Suzuki Alto VXR	ANV 346	1,986,000	631,989	1,354,011	2,528,000	1,173,989	Market Sale	Asif Shah
Wagon-R	APZ 822	2,997,945	99,932	2,898,014	2,905,000	6,986	Market Sale	M Nadeem
MG HS	ADN 128	6,517,333	868,978	5,648,355	5,750,000	101,645	Market Sale	M Sajjad
Suzuki Alto	ABV 705	1,433,000	903,720	529,280	456,934	(72,346)	Written Off	-
Suzuki Motor Car	ADW 525	1,394,881	816,594	578,287	364,022	(214,265)	Written Off	-
Suzuki Alto	ABV 592	1,433,000	903,720	529,280	-	(529,280)	Written Off	-
Alto VXR-3	AMN-882	1,740,500	772,937	967,563	319,550	(648,013)	Written Off	-
Alto VXR-1	AKQ 323	1,553,500	748,442	805,058	128,830	(676,228)	Written Off	-
Items having NBV less than								
Rs.500,000 each		30,580,302	22,966,232	7,614,070	19,229,956	11,615,886		
2025		88,132,532	(37,974,270)	50,158,263	65,686,541	15,528,278		
2024		96,748,993	(27,340,808)	69,408,185	97,311,352	27,903,167		

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

7.2 Right of use assets

Right of use assets			
Plant and machinery	Vehicles-leased	Buildings	Total
----- Rupees -----			

Year ended December 31, 2025

Net carrying value basis

Opening net book value	36,691,665	21,368,292	31,024,466	89,084,423
Additions	-	397,678,856	192,830,446	590,509,302
Transfers	(34,857,080)	(8,304,576)	-	(43,161,656)
Depreciation charge	(1,834,585)	(26,951,544)	(49,649,698)	(78,435,827)
Closing net book value	-	383,791,028	174,205,214	557,996,242

Gross carrying value basis

Cost	2,142,918	417,103,321	242,028,111	661,274,350
Accumulated depreciation	(2,142,918)	(33,312,293)	(67,822,897)	(103,278,108)
Net book value	-	383,791,028	174,205,214	557,996,242

Year ended December 31, 2024

Net carrying value basis

Opening net book value	164,716,575	336,836,645	62,892,457	564,445,677
Additions	37,802,872	11,591,200	-	49,394,072
Transfers	(141,388,872)	(254,070,373)	-	(395,459,245)
Disposals (NBV)	-	(37,442,053)	-	(37,442,053)
Depreciation charge	(24,438,910)	(35,547,127)	(31,867,991)	(91,854,028)
Closing net book value	36,691,665	21,368,292	31,024,466	89,084,423

Gross carrying value basis

Cost	36,999,998	27,729,041	170,728,316	235,457,355
Accumulated depreciation	(308,333)	(6,360,749)	(139,703,850)	(146,372,932)
Net book value	36,691,665	21,368,292	31,024,466	89,084,423

Depreciation rate	10%	10% - 33%	10% - 25%	
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Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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

7.3 Capital work in progress

Movement in capital work in progress is as follows:

	Plant and Machinery	Others	Total	
	2025		2025	2024
	----- Rupees -----			
Opening balance	458,162	176,620,433	177,078,595	722,025,038
Additions during the year	55,421,092	579,854,934	635,276,026	236,584,369
Transferred to owned assets / reclassification to advances	(26,390,091)	(507,879,174)	(534,269,265)	(781,530,812)
	29,489,163	248,596,193	278,085,356	177,078,595

	Note	2025 Rupees	2024 Rupees
7.4 Depreciation charge has been allocated as under:			
Cost of revenue	32	255,620,020	222,213,852
Distribution, selling and promotional expenses	33	84,357,480	91,890,320
Administrative and general expenses	34	77,805,256	32,569,349
		417,782,756	346,673,521

8. INTANGIBLE ASSETS

Intangible assets	8.1	37,851,548	46,866,785
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8.1		2025							
Particulars	Note	Cost			Accumulated amortization			Book value as at 31 December	Rate
		As at 01 January	Additions	As at 31 December	As at 01 January	For the year	As at 31 December		
-----Rupees-----									
Registration and trademark									
(8.1.1)		154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software (8.1.2)		67,483,516	5,734,564	73,218,080	20,616,731	14,749,801	35,366,532	37,851,548	20%
		221,917,691	5,734,564	227,652,255	175,050,906	14,749,801	189,800,707	37,851,548	

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2024							
		Cost			Accumulated amortization				
Particulars	Note	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	8.1.1	154,434,175	-	154,434,175	154,434,175	-	154,434,175	-	10%
ERP software	8.1.2	67,483,516	5,734,564	73,218,080	20,616,731	14,749,801	35,366,532	37,851,548	20%
		221,917,691	5,734,564	227,652,255	175,050,906	14,749,801	189,800,707	37,851,548	

8.1.1 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.

8.1.2 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.

			2025	2024
8.2	Amortization charge has been allocated as under:	Note	Rupees	Rupees
	Cost of revenue	32	5,737,918	6,304,470
	Distribution, selling and promotional expenses	33	578,569	775,562
	Administrative and general expenses	34	8,433,313	3,755,798
			14,749,801	10,835,830

9 GOODWILL

Goodwill on acquisition of subsidiary	9.1	834,230	834,230
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9.1 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:

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	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

9.2 Acquisition of additional interest in the Subsidiary

Subsequently in 2015, the Holding Company also participated in the Subsidiary Company's right issue and its shareholding increased to 88.39%. In May 2016, the Holding Company acquired an additional 11.61% interest in the voting shares of the Subsidiary, 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 Company (excluding goodwill on the original acquisition) was Rs. 10 million. Following is a schedule of additional interest acquired in the Subsidiary:

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

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
10	LONG-TERM DEPOSITS	Rupees	Rupees
	Bank guarantee margin	20,592,390	1,602,710
	Deposits with vendors	22,298,383	23,964,184
	Security deposit against ijarah lease	41,695,374	-
		84,586,147	25,566,894

10.1 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.

		2025	2024
11	LONG-TERM LOANS AND ADVANCES	Rupees	Rupees
	Advance for software - under implementation	-	782,444
	Secured - considered good		
	Loan to employees - secured	66,815,744	74,896,853
	Less: current portion	(12,394,358)	(10,428,816)
		54,421,386	64,468,037
		54,421,386	65,250,481

11.1 These represent loan given to employees against the purchase of vehicles as per the Group'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% (2024: 0%) per annum and are repayable in cash in accordance with predefined repayment schedule. The impact of discounting to present value is assessed to be immaterial by the management.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

12	INVENTORIES	Note	2025 Rupees	2024 Rupees
	Raw materials			
	In hand		2,895,773,291	2,133,024,020
	In transit		453,265,870	161,515,778
	With third party		135,911,573	158,952,120
			3,484,950,734	2,453,491,918
	Packing material			
	In hand		786,072,374	812,706,111
	In transit		25,046,346	28,611,460
			811,118,720	841,317,571
	Stores, spare parts and loose tools		183,851,002	96,830,205
	Work in progress		555,862,103	661,726,187
	Finished goods			
	Trading - in hand		246,760,736	97,630,343
	Manufactured		634,506,634	778,946,160
		12.2	881,267,370	876,576,503
	Provision for slow moving and obsolete items	12.1	(203,208,590)	(212,150,560)
			5,713,841,339	4,717,791,824
12.1	Provision for slow moving and obsolete items			
	Opening provision		212,150,560	193,676,035
	Charge for the year		75,051,310	85,650,605
	Reversal during the year		(83,993,280)	(67,176,080)
	Closing provision		203,208,590	212,150,560

12.2 The finished goods are recorded at lower of cost and net realizable value which has resulted in a reversal amounting to Rs. 8.94 million (2024: impairment loss amounting to Rs. 18.47 million) recorded in cost of revenue.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

13	TRADE RECEIVABLES	Note	2025 Rupees	2024 Rupees
	Export sales		165,891,286	120,550,269
	Local sales		4,364,914,736	2,360,697,663
			4,530,806,022	2,481,247,932
	Less: allowance for expected credit losses	13.1	(129,957,454)	(57,651,504)
		13.2	4,400,848,568	2,423,596,428
13.1	Allowance for expected credit losses:			
	Opening balance		57,651,504	22,372,807
	Charge / (reversal) during the year	36	72,305,950	35,278,697
			129,957,454	57,651,504

13.2 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.

14	ADVANCES, TRADE DEPOSITS AND PREPAYMENTS		2025 Rupees	2024 Rupees
	Advances to staff			
	- against expenses	14.1	16,963,182	30,753,110
	- against salary	14.2	30,076,384	26,014,292
	- current portion of advances against vehicles	11	12,394,358	10,428,816
			59,433,924	67,196,218
	Advance to suppliers against goods and services		505,995,456	387,827,332
	Margin against letter of credit		30,795,218	33,059,431
	Trade deposits		27,868,905	23,840,672
	Prepayments		33,536,569	41,457,606
			657,630,072	553,381,259

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

14.2 Advances to staff are interest free and settled against immediate salary. These advances are secured against final settlement of staff provident fund. The impact of discounting to present value is assessed to be immaterial by the management.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
15	OTHER RECEIVABLES	Rupees	Rupees
	Interest accrued	4,362,884	19,979,979
	Sales tax recoverable	166,409,673	111,687,167
	Security deposit	4,731,634	-
	Others	1,239,731	5,907,435
		176,743,922	137,574,581

16	SHORT TERM INVESTMENTS		
	Mutual funds - fair value through profit or loss	16.1	2,659,250,468
	Term deposit receipts - at amortized cost	16.3	400,372,214
			3,059,622,682

16.1 These investments are measured at fair value through profit or loss:

	Balance at the beginning of the year	3,471,920,933	1,699,124,325
	Additions during the year	6,133,140,049	4,383,230,301
	Redemption during the year	(7,290,579,760)	(2,847,386,088)
	Realized gain / (loss) on redemption of investments during the year	37	168,760,287
	Unrealized gain on remeasurement of investments during the year	37	176,008,959
	Closing fair value of short term investment		2,659,250,468

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

16.2	Mutual fund wise detail is as follows:	Units		Fair Value	
		2025 Numbers	2024 Numbers	2025 Rupees	2024 Rupees
	Alfalah GHP Money Market Fund	3,302,007	4,836,803	343,450,947	520,888,356
	Alfalah GHP Income Fund (AGHPIF)	14	-	1,665	-
	MCB Cash Management Optimizer Fund	1,972,271	1,934,218	211,908,831	215,329,898
	Faysal Halal Amdani Fund	3,037	2,283	323,883	303,365
	Faysal Islamic cash fund	162	-	16,963	-
	NBP Money Market Fund	-	47,882	-	522,825
	NBP Financial Sector Income Fund	-	10,542,234	-	122,532,634
	UBL Money Market Fund- Class "C"	-	2,334,503	-	256,261,836
	UBL Liquidity Plus Fund	1,315	1,186	140,270	130,968
	UBL Government Securities Fund	1,560	-	200,000,000	-
	UBL Income Opportunity Fund	6,707	-	766,446	-
	UBL Al Amin Shariah Fund	8	7	4,185	2,944
	UBL Growth And Income Fund - Class 'lu'	521	-	47,000	-
	Al-Ameen Islamic Energy Fund - Class 'A'	39	-	12,155	-
	Ubl Liquidity Fund - Class 'A'	2,010,314	-	207,580,973	-
	NIT Social Impact Fund	49,220,441	40,583,318	260,734,256	450,313,164
	NIT Government Bond Fund	1,136,781	52,329,614	12,029,417	575,819,378
	NIT Income Fund	29,282	4,492,565	317,163	50,000,000
	NIT Money Market Fund	19,796,100	-	203,442,542	-
	Pak Qatar Income Plan	856,615	3,458,519	105,120,676	385,598,185
	HBL Money Market Fund	7,187	5,506	780,704	618,572
	Financial Sector Income Fund Plan I	70	-	7,556	-
	ABL Government Securities Funds B	13	11	137	124
	ABL Fixed Rate Plan VIII	-	10,000,000	-	105,783,000
	ABL Fixed Rate Plan XII	-	53,148,656	-	538,395,881
	ABL Fixed rate plan-XX	20,000,000	-	204,642,000	-
	ABL FIXED RATE PLAN - XIX	10,905,556	-	114,952,199	-
	ABL Cash Fund	-	3,675	-	41,029
	JS Cash Fund	613	515	67,869	63,251
	JS Microfinance Sector Fund	2,254,529	-	257,805,341	-
	AL Habib Income Fund	4,924	1,069,540	529,698	119,084,173
	AL Habib Money Market Fund	962,965	-	101,732,375	-
	Lakson Income Fund	1,652,036	1,154,350	179,033,956	130,231,350
	Lucky Islamic Money Market Fund	475,039	-	50,000,000	-
	Meezan Cash Fund	3,420,336	-	184,195,700	-
	Meezan Gold Fund	69,576	-	19,590,109	-
	Meezan Rozana Amdani Fund	309	-	15,452	-
		118,090,327	185,945,385	2,659,250,468	3,471,920,933

16.3 These represents investments in term deposit receipts. They carry average profit at the rate of ranging from 9.02% to 16% (2024: 11.25% - 21.00%) with maturity up to October 2026.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

			2025 Rupees	2024 Rupees
17	TAX REFUNDS DUE FROM THE GOVERNMENT	Note		
	Sales tax refundable - net		127,433,346	254,004,772
	Provision against sales tax refundable	17.1	-	(88,092,012)
			127,433,346	165,912,760
	Income tax refundable - net		138,049,114	31,187,588
			265,482,460	197,100,348
17.1	Provision against sales tax refundable			
	Opening balance		88,092,012	-
	(Reversal) / charge for the year	36	(88,092,012)	88,092,012
			-	88,092,012
18	CASH AND BANK BALANCES			
	Cash in hand			
	Balance with banks		399,622	633,770
	Current accounts			
	- Local currency		203,826,885	1,035,370,000
	- Foreign currency	18.1	228,704,609	75,337,262
	Savings accounts	18.2	151,294,790	382,406,324
			583,826,284	1,493,113,586
			584,225,906	1,493,747,356

18.1 This represents the foreign currency bank accounts with balance amounting to USD 815,550 (2024: USD 268,185).

18.2 These represents savings accounts which carries average profit at the rate of ranging from 6.46% to 9.10% (2024: 9.21% to 20.10%).

18.3 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:

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Cash and bank balances		584,225,906	1,493,747,356
Short term borrowings	28	(301,798,222)	(784,230,282)
Cash and cash equivalents as per statement of cashflows		282,427,684	709,517,074

19 SHARE CAPITAL

Authorized share capital

100,000,000 (2024: 100,000,000) ordinary shares of

Rs. 10 each

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

19.1 Issued, subscribed and paid up share capital

5,905,000 (2024: 5,905,000) ordinary shares of Rs. 10

each fully paid in cash

59,050,000 59,050,000

95,000 (2024: 95,000) ordinary shares of Rs.10 each

issued for consideration other than cash

19.1.1

950,000

950,000

46,983,363 (2024: 46,983,363) ordinary shares of

of Rs. 10 each issued as bonus shares

469,833,630

469,833,630

529,833,630

529,833,630

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

19.2 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025 Rupees	2024 Rupees
20. REVALUATION SURPLUS ON OPERATING FIXED ASSETS	Note		
Opening balance of gross surplus on revaluation of fixed assets		1,281,367,470	1,344,555,411
Addition during the year		-	-
Incremental depreciation relating to surplus on revaluation of fixed assets - transferred to unappropriated profits		(56,602,195)	(63,187,941)
		1,224,765,275	1,281,367,470
Less related deferred tax liability on:			
Balance at the beginning of the year		203,808,712	218,717,109
Related deferred tax on additions during the year		-	-
Effect of deferred tax due to change in effective tax rate		-	-
Incremental depreciation relating to surplus on revaluation of operating fixed assets - transferred to unappropriated profits		(20,253,925)	7,711,645
		183,554,787	(22,620,042)
		183,554,787	203,808,712
Closing balance of surplus on revaluation of fixed assets	20.1	1,041,210,488	1,077,558,758

20.1 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 47.2 of these consolidated financial statements.

		2025 Rupees	2024 Rupees
21. LEASE LIABILITIES	Note		
Present value of lease payments		493,584,101	136,042,610
Less: Current portion shown under current liabilities	27	(112,762,508)	(65,980,025)
		380,821,593	70,062,585

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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

	2025			
	-----Rupees-----			
	Building	Vehicles	Plant and Machinery	Total
As at January 01,	50,803,192	51,939,418	33,300,000	136,042,610
Additions	192,830,446	305,501,979	-	498,332,425
Accretion of interest	11,834,208	28,133,151	2,232,765	42,200,124
Payments	(63,226,589)	(84,231,704)	(35,532,765)	(182,991,058)
As at December 31,	192,241,257	301,342,844	-	493,584,101

	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

		2025	2024
	Note	Rupees	Rupees
21.1 Maturity analysis of lease liabilities:			
Within one year		163,057,411	82,484,990
After one year but not more than five years		454,743,939	84,450,783
Finance cost		(124,217,249)	(30,893,163)
Total lease liabilities		493,584,101	136,042,610

21.2 Salient features of the leases are as follows:

- Discounting factor	11.53% - 14.19%	8.94% - 23.84%
- Lease term	12 to 120 Months	12 to 120 Months

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
21.3	Amount recognised in consolidated statement of	Rupees	Rupees
	profit or loss		
	Interest expense on lease liabilities	42,200,124	69,727,016
	Expenses related to short term leases	99,006,920	107,976,674
	Total amount recognised in the consolidated statement of profit or loss	141,207,044	177,703,690

22 LONG TERM LOAN - SECURED

Long term loans	22.1	6,319,789	447,716,085
Less: Current portion shown under current liabilities	27	(3,896,296)	(128,896,296)
		2,423,493	318,819,789

22.1 The movement of long term loan is as follows:

Opening balance as at January 01,	22.1.1 & 22.1.2	447,716,085	714,112,381
Principal payments made during the year		(441,396,296)	(266,396,296)
		6,319,789	447,716,085
Less: Current portion shown under current liabilities		(3,896,296)	(128,896,296)
Closing balance as at December 31,		2,423,493	318,819,789

22.1.1 Two loans include one facility of amounting to Rs. 500 million with maturity date of June 05, 2028 was 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. 500 million has been early settled during the year. This facility was secured against first pari passu charge over all present and future plant and machinery.

22.1.2 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 (2024: Rs. 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2024: 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 3 months 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
23	DEFERRED TAX LIABILITIES	Note	Rupees
	Deferred tax liabilities - net	23.1	250,433,156
	Deferred tax liabilities on taxable temporary differences:		
	Surplus on revaluation of operating fixed assets		179,162,243
	Accelerated tax depreciation		303,274,709
	Short term investments		44,002,240
	Lease arrangement - net		4,671,470
			531,110,662
	Deferred tax assets on deductible temporary differences:		
	Lease arrangement - net		-
	Provisions and allowances		(265,593,832)
	Tax credit		(1,851,000)
	Minimum tax unused credit		(13,232,674)
			(280,677,506)
	Deferred tax liabilities		250,433,156
23.1	Movement in deferred tax is as follows:		
	As at January 01,		279,379,302
	Recognized as deferred tax expense / (income) in consolidated statement of profit or loss:		
	Surplus on revaluation of operating fixed assets		(20,253,924)
	Accelerated tax depreciation on fixed assets		(56,123,701)
	Short term investments		44,002,240
	Lease liabilities		22,985,163
	Minimum tax unused credit		(13,232,674)
	Provisions and allowances		26,370,259
			3,747,363
			283,126,665
	Recognized as deferred tax expense in consolidated statement of comprehensive income:		
	Gratuity		(32,693,509)
	Effect of deferred tax due to change in effective tax rate		-
			(32,693,509)
			250,433,156

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

24	DEFERRED LIABILITIES	Note	2025 Rupees	2024 Rupees
	Deferred grant	24.1	2,970,631	4,171,514
	Gratuity	24.2	142,283,276	399,621,919
			145,253,907	403,793,433

24.1 Movement of deferred grant is as follows:

	Opening balance as at January 01,		5,601,247	6,916,657
	Grant income recognized during the year	37	(1,315,308)	(1,315,410)
	Closing balance as at December 31,		4,285,939	5,601,247
	Less: Current portion shown under current liabilities	27	(1,315,308)	(1,429,733)
	Non current portion		2,970,631	4,171,514

24.2 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	2025 Rupees	2024 Rupees
Present value of defined benefit obligation	24.2.1	142,283,276	399,621,919

24.2.1 Movement in the present value of define benefit obligation:

	Opening balance as at January 01,		399,621,919	524,030,734
	Current service cost		6,499,019	30,487,822
	Interest cost on defined benefit obligation		17,185,732	78,908,232
	Benefits paid during the year		(610,727,888)	(55,378,631)
	Gains on plan curtailment	24.2.8	271,402,895	(224,263,133)
	Charge to other comprehensive income		83,829,510	52,166,835
			167,811,187	405,951,859
	Less: balance due but not paid		(25,527,911)	(6,329,940)
	Closing balance as at December 31,		142,283,276	399,621,919

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
24.2.2 (Reversal) / expense recognized in consolidated	Note	Rupees	Rupees
statement of profit or loss:			
Current service cost		6,499,019	30,487,822
Interest cost		17,185,732	78,908,232
Gains arising on plan curtailment		271,402,895	(224,263,133)
		295,087,646	(114,867,079)

24.2.3 Remeasurement gain recognized in other comprehensive income:

Actuarial losses and (gain) from changes in financial assumptions	-	35,969,175
Experience adjustments	83,829,510	16,197,660
	83,829,510	52,166,835

24.2.4 Historical information for gratuity plan

	2025	2024	2023	2022	2021
	-----Rupees-----				
Present value of defined benefit obligation	142,283,276	399,621,919	524,030,734	525,066,824	546,646,832
Remeasurement adjustment arising on plan liabilities	83,829,510	52,166,835	(68,944,791)	(46,524,657)	17,177,141
Remeasurement adjustment as percentage of outstanding liability	58.92%	13.05%	-13.74%	-8.86%	3.14%

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

	2025	2024
- Discount rate used for interest cost	12.25% p.a.	16.00% p.a.
- Discount rate used for year end obligation	11.75% p.a.	12.25% p.a.
- Expected rate of increase in salary	10.75% p.a.	10.50% p.a.
- Expected average remaining working life time	6 years	6 years
- Mortality rates	SLIC	SLIC
	2001-2005	2001-2005

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

24.2.5 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

	Note	2025 Rupees	2024 Rupees
Discount rate + 100 bps		130,769,326	131,691,492
Discount rate - 100 bps		149,278,330	149,882,941
Salary increase + 100 bps		149,494,060	150,096,939
Salary increase - 100 bps		130,381,874	131,349,637

25.2.7 The following are the expected payments in future years:

Within next 12 months	17,005,276	31,754,598
Between 2 and 5 years	62,705,560	230,127,665
Between 5 and 10 years	121,017,652	276,288,267
Beyond 10 years	355,951,870	601,635,042
Total expected payments	556,680,358	1,139,805,572

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (2024: 6 years).

24.2.7 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.

24.2.8 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 2025

25	TRADE AND OTHER PAYABLES	Note	2025 Rupees	2024 Rupees
	Trade creditors		1,974,078,037	1,815,244,837
	Accrued expenses		290,558,131	332,282,744
	Accrued markup		27,114,278	31,372,004
	Due to employees		117,879,207	136,398,316
	Provision for leave encashment		49,817,547	49,582,690
	Payable to central research fund	25.1	69,556,281	52,057,254
	Payable to provident fund trust	25.2	19,974,618	18,195,248
	Payable to employees welfare trust		1,030,236	-
	Withholding tax payable		85,571,432	55,884,021
	Refund liabilities		203,818,090	157,543,316
	Workers' Welfare Fund Payable	25.3	229,011,917	279,577,263
	Workers' Profit Participation Fund	25.4	(4,617,429)	8,793,955
	Sales tax payable		1,232,377	3,949,383
	Other payables		1,821,358	-
			3,066,846,080	2,940,881,031

25.1 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.

25.2 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.

25.3	Workers Welfare Fund Payable	Note	2025 Rupees	2024 Rupees
	Opening balance as at January 01,		279,577,263	232,464,953
	Charge for the year	36	143,946,023	88,083,811
	Payment / Adjustment		(194,511,369)	(40,971,501)
	Closing balance as at December 31,		229,011,917	279,577,263

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

			2025	2024
25.4	Workers' Profit Participation Fund	Note	Rupees	Rupees
	Opening balance as at January 01,		8,793,955	181,856,569
	Interest charged during the year	36	359,000,872	259,561,936
	Charge for the year		2,186,501	10,781,877
	Paid during the year		(374,598,757)	(443,406,427)
	Closing balance as at December 31,		(4,617,429)	8,793,955

26 CONTRACT LIABILITIES

	Advance from local distributors		36,349,731	220,308,109
	Advance from institutions		196,315,344	11,724,730
	Advance from foreign customer - export		3,959,494	135,330
			236,624,569	232,168,169

26.1 The aging of contract liabilities is as follows:

	Less than or equal to 30 days		186,431,066	224,093,569
	31-90 days		21,767,163	5,410,424
	91-180 days		19,833,958	321,108
	More than 180 days		8,592,382	2,343,068
			236,624,569	232,168,169

26.2 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. 232.17 million (2024: Rs. 83.08 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.

			2025	2024
27	CURRENT PORTION OF LONG-TERM LIABILITIES	Note	Rupees	Rupees
	Lease liabilities	21	112,762,508	65,980,025
	Long term loan - secured	22	3,896,296	128,896,296
	Deferred grant	24.1	1,315,308	1,429,733
			117,974,112	196,306,054

28 SHORT TERM BORROWINGS

	Short term borrowings from commercial banks		301,798,222	784,230,282
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Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

- 28.1** Facilities available from Meezan Bank Limited comprise of running musharakah amounting to Rs. 500 million (2024: Rs. 750 million) and letter of credit (sight) under Musawamah amounting to Rs. 800 million (2024: 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 musharakah is 1 Month KIBOR plus 0.30% (2024: 1 Month KIBOR minus 2.50%). Out of the aggregated facility, export refinance facility amounting to Rs. 200 million (2024: 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% (2024: SBP rate plus 1%).
- 28.2** Facility availed from Meezan Bank Limited comprise Istisna finance amounting to Rs. 100 million (2024: Rs. 100 million), which is a sublimit of the total facilities available amounting to Rs. 250 million (2024: Rs. 250 million). The other facilities available to the Group are letter of credit, letter of guarantee and murabaha finance. These facilities are secured against first joint pari passu / pari passu charge over present and future current assets of the Group with 25% margin. The markup rate is 3-month KIBOR + 0.75% per annum (2024: 3-month KIBOR + 0.75% per annum). The facility was utilized to the extent of Rs. 51.80 million at year end (2024: Rs. 22.80 million). The facility will expire on August 31, 2026.
- 28.3** Facility availed from Bank of Punjab comprise Istisna finance amounting to Rs. 250 million (2024: Rs. Nil), which is a sublimit of the total facilities available amounting to Rs. 250 million (2024: Rs. Nil). The other facilities available to the Group are letter of credit and Musawamah - import. These facilities are secured against first pari passu charge over current assets of the Group with 25% cash margin. The markup rate is 3-month KIBOR + 0.40% per annum. The facility was fully utilized to the extent of Rs. 250 million at year end. The facility will expire on May 31, 2026.
- 28.4** Facility availed from Habib Metropolitan Bank Limited comprise running finance amounting to Rs. 100 million (2024: Rs. 50 million). The Group also has other facilities available amounting to Rs. 400 million (2024: Rs. 150 million). The other facilities available to the Group are letter of credit, FATR and long term loan. These facilities carry markup at the rate of 3-month KIBOR + 0.30% to 0.7% per annum (2024: 1-month KIBOR + 0.30% per annum). The facility was utilized to the extent of Rs. 75.28 million (2024: Rs. 80.76 million). The facility will expire on October 31, 2026.
- 28.5** At the year end, the Group also had facilities from other banks amounting to Rs.400 million (2024: Rs.400 million), which are not utilized by the Group. The facilities available to the Group are letter of credit and letter of guarantee, These facilities carry markup at the rate of 3-month KIBOR + 0.30% to 0.7% per annum (2024: 1-month KIBOR + 0.30% per annum). The facilities will expire in 2026.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

29	TAXATION - NET	Note	2025 Rupees	2024 Rupees
	Income tax - net		876,942,956	(15,209,679)
	Provision for taxation / advance income tax - net			
	Provison for current tax		1,824,069,108	1,118,468,927
	Effect of super tax		629,128,201	386,015,171
	Levy		-	19,902,052
	Advance income tax paid		(1,558,809,108)	(1,503,205,290)
	Prior year adjustment		(17,445,245)	(36,390,539)
	Closing balance		876,942,956	(15,209,679)

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 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 Group, as the management on the basis of their legal consultant's opinion expects a favourable outcome.

30.1.2 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 Group has not deducted withholding tax while making payment to certain suppliers. Being aggrieved, the Group filed appeal before the CIR (Appeals) who upheld the order passed by DCIR. Against the treatment method out, the Group preferred appeal before Honorable ATIR which is pending adjudication. Provision has not been recognized by the Group, as the management expects a favorable outcome.

30.1.3 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 Group has not deducted withholding tax while making payment to certain suppliers. Being aggrieved, the Group filed appeal before the CIR (Appeals) who which is pending for adjudication. Provision has not been recognized by the Group, as the management expects a favorable outcome.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

- 30.1.4** 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 Group 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 Group and demand has been reduced by Rs. 3.73 million. The Group has preferred appeal against the remaining amount before ATIR, which is pending for adjudication. Provision has not been recognized by the Group, as the management expects a favorable outcome.
- 30.1.5** 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 Group has preferred to file an appeal before ATIR against the said order which is pending for adjudication. Provision has not been recognized by the Group, as the management expects a favorable outcome.
- 30.1.6** The Assistant Commissioner Inland Revenue ('ACIR') has issued an order dated June 30, 2025 u/s 122 of the Income Tax Ordinance, 2001, in respect of tax year 2019, creating a demand amounting to Rs 845.71 million. The Group has preferred an appeal before Commissioner Inland Revenue, Appeals ('CIR(A)') against this order, on July 26, 2025, which is pending adjudication. The provision has not been recognised by the Group, as the management expects a favourable outcome.
- 30.1.7** The Group has challenged the imposition of super tax under Section 4C of the Income Tax Ordinance, 2001 on the grounds of retrospective applicability. For Tax Year 2022, the Honorable Lahore High Court, vide judgment dated April 12, 2023, struck down the levy of super tax at 10% but allowed imposition at 4% on a retrospective basis; however, the Group's Intra Court Appeal was decided in its favor on May 16, 2024, and the matter is now pending before the Honorable Supreme Court of Pakistan upon appeal filed by the Federal Board of Revenue. For Tax Year 2023, the Group has also challenged the retrospective imposition of super tax at 10% before the Honorable Lahore High Court, which has granted a stay against its operation, and the matter is pending adjudication. No provision has been recognized in respect of these matters, as the management, based on the opinion of its legal advisors, expects a favorable outcome.
- 30.1.8** A petition dated September 8, 2025 has been filed under section 286 of the Companies Act, 2017 before the Lahore High Court. The case has not yet been fixed for hearing. The management, based on the assessment of its concerned legal advisors, is of the view that no outflow of economic resources is expected to occur based on the aforementioned petition.
- 30.1.9** There are several claims that have been lodged against the Group. The quantum of potential liability cannot be estimated reliably. The Group is hopeful of a favorable outcome, therefore, no provision has been recognized in these financial statements.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

30.2 Commitments	Note	2025 Rupees	2024 Rupees
The Group has commitments against:			
Letter of credit		956,401,169	1,032,325,783
Bank contracts		489,730,620	270,379,501
Ijarah rentals	30.2.1	350,131,549	-
Capital expenditure		80,240,684	-
		1,876,504,022	1,302,705,284

30.2.1 Future payments under Ijarah:	Note	2025 Rupees	2024 Rupees
Within one year		87,634,402	-
After one year but not more than five years		262,497,147	-
	30.3	350,131,549	-

30.3 This represents a five-year ijarah contract with First Habib Modaraba against company vehicles, rentals of which are calculated with reference to 6 month KIBOR + 0.5% subject to a 5% floor and 35% ceiling. The rate is subject to revision on semi annual basis.

31. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET	Note	2025 Rupees	2024 Rupees
Manufacturing:			
Local sales		28,359,713,111	25,976,258,161
Export sales		2,180,243,714	1,950,164,791
		30,539,956,825	27,926,422,952
Trading		3,908,710,528	1,562,849,801
Toll manufacturing		852,892,313	712,472,182
		35,301,559,666	30,201,744,935
Less:			
Trade Discounts		5,002,832,460	4,638,751,109
Sales tax		261,886,434	263,729,297
Sales return		2,331,202,818	658,371,570
		(7,595,921,712)	(5,560,851,976)
	31.1	27,705,637,954	24,640,892,959

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

31.1	Geographical information	Note	2025 Rupees	2024 Rupees
	Revenue from external customers - net			
	Pakistan		24,769,702,807	22,679,341,488
	Afghanistan via an agent		1,621,333,632	1,452,933,047
	United Arab Emirates		298,270,568	142,906,011
	Srilanka		93,818,608	-
	France		84,202,607	130,036,251
	Sudan		38,549,164	20,612,556
	Cambodia		18,883,757	12,232,658
	Kenya		6,177,926	75,467,480
	Others		21,388,727	26,852,854
	Iraq		-	40,880,365
	Dubai		-	37,291,828
	Tanzania		-	10,951,741
			27,705,637,954	24,629,506,279

31.2 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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

32	COST OF REVENUE	Note	2025 Rupees	2024 Rupees
	Raw and packing material consumed		8,107,464,598	8,907,095,287
	Stores consumed		191,513,080	158,714,001
		32.1	8,298,977,678	9,065,809,288
	Salaries, wages and benefits	32.2	1,469,511,946	1,092,451,285
	Fuel and power		370,124,295	398,477,481
	Repairs and maintenance		28,311,807	47,458,053
	Toll charges		134,806,593	120,361,561
	Inventories written down		13,998,996	17,486,732
	Depreciation	7.1	255,620,020	222,213,852
	Amortization	8.2	5,737,918	6,304,470
	Factory supplies		27,595,107	23,536,681
	Vehicle running and maintenance		245,315,834	157,147,337
	Insurance		47,929,677	30,900,789
	Printing and stationery		44,681,780	51,275,652
	Fee and subscription		43,284,034	82,622,743
	Rent, rates and taxes	32.3	54,095,875	54,080,688
	Traveling and conveyance		42,047,474	21,481,308
	Consultancy and professional charges		-	12,667,553
	Telephone, postage and communication		973,327	3,410,446
	Training		3,451,566	-
	Ijarah rentals		1,304,819	-
	Other direct costs		18,034,313	20,819,648
	Provision for slow moving and obsolete stock		(14,256,544)	-
	Staff welfare and entertainment		9,478,699	6,530,418
	Legal and professional		6,324,057	-
	Freight expenses		2,177,600	2,980,432
	Staff training and development		881,692	8,976,592
			11,110,408,563	11,446,993,009

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
Inventory effect of work in process			
Opening		661,726,187	278,623,344
Closing		(555,862,103)	(661,726,187)
		105,864,084	(383,102,843)
Cost of goods manufactured		11,216,272,647	11,063,890,166
Inventory effect of finished goods			
Opening		778,946,160	824,607,842
Closing		(634,506,634)	(778,946,160)
		144,439,526	45,661,682
		11,360,712,173	11,109,551,848
Inventory effect of trading goods			
Opening		97,630,343	136,324,851
Purchases		1,295,422,104	963,633,937
Closing		(246,760,736)	(97,630,343)
		1,146,291,711	1,002,328,445
Cost of goods sold		12,507,003,884	12,111,880,293
32.1 Raw, packing material and store consumed:			
Opening stock		3,391,639,695	3,899,783,242
Add: Purchases during the year		8,661,572,707	8,557,665,740
Less: Closing stock	12	(3,754,234,724)	(3,391,639,694)
Consumed during the year		8,298,977,678	9,065,809,288
32.2 This includes the following staff benefits:			
Defined benefit plan - gratuity		117,374,768	(29,139,313)
Defined contribution plan - provident fund		27,525,189	25,835,419
Provision for compensated leave absences		6,904,374	13,823,744
		151,804,331	10,519,850

32.3 This represents payment amounting to Rs. 54.09 million (2024: Rs. 53.18 million) in respect of rent of warehouses. The Group has accounted for this using short term lease exemptions accounting of IFRS - 16.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
33. DISTRIBUTION, SELLING AND PROMOTIONAL EXPENSES	Note	Rupees	Rupees
Salaries and benefits	33.1	2,134,070,255	2,016,200,669
Traveling and conveyance		863,013,744	878,367,161
Training, seminars and symposia		610,445,870	377,151,714
Literature, promotion and advertisement material		2,049,685,634	1,269,521,157
Vehicle running and maintenance		488,372,965	325,124,586
Freight		246,061,085	226,867,018
Sample goods		342,379,385	446,530,122
Newspapers and subscriptions		98,179,069	140,984,148
Insurance		78,638,699	46,890,787
Commission on settlement		23,791,595	14,471,865
Rent, rates and taxes	33.2	11,230,005	53,131,835
Office supplies		9,740,703	7,642,099
Printing and stationery		3,676,420	2,949,125
Repairs and maintenance		6,698,903	123,696,267
Legal and professional charges		23,598,478	2,498,560
Ijarah rentals		10,837,247	-
Depreciation	7.1	84,357,480	91,890,320
Amortization	8.2	578,569	775,562
Telephone, postage and communication		5,706,688	28,137,273
Others		5,667,082	5,261,642
Staff welfare and entertainment		341,257	302,463
		7,097,071,133	6,058,394,373

33.1 This includes following staff benefits:

Defined benefit plan - gratuity	68,027,920	(48,460,668)
Defined contribution plan - provident fund	45,748,757	41,793,828
Provision for compensated leave absences	7,461,037	15,845,841
	121,237,714	9,179,001

33.2 This represents payment amounting to Rs. 11.23 million (2024: Rs. 53.13 million) in respect of rent of warehouses. The Group has accounted for this using short term lease exemptions accounting of IFRS-16.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
34. ADMINISTRATIVE AND GENERAL EXPENSES	Note	Rupees	Rupees
Salaries and benefits	34.1	696,875,720	493,067,535
Advertisement, seminars and symposia		37,413,154	20,516,204
Vehicle running and maintenance		119,476,597	97,678,847
Donation	34.3	1,032,500	3,613,440
Repairs and maintenance		14,749,123	20,455,754
Newspapers and subscriptions		49,514,498	60,627,356
Telephone, postage and communication		11,793,745	7,581,810
Rent, rates and taxes		33,681,040	1,664,151
Traveling and conveyance		42,025,506	32,513,710
Legal and professional charges		31,253,661	45,981,222
Electricity, gas and water		21,054,490	58,888,770
Office supplies		21,466,672	15,723,247
Insurance		8,008,559	8,383,324
Printing and stationery		6,755,452	9,225,750
Auditors' remuneration	34.2	9,368,000	5,563,850
Depreciation	7.1	77,805,256	32,569,349
Amortization	8.2	8,433,313	3,755,798
Others		7,540,694	2,588,843
Staff welfare and entertainment		11,027,708	9,591,084
Staff training and development		4,127,916	233,508
		1,213,403,604	930,223,552
34.1 It includes the following staff benefits:			
Defined benefit plan - gratuity		109,684,834	(37,267,098)
Defined contribution plan - provident fund		14,496,167	16,120,439
Provision for compensated leave absences		758,265	2,211,788
		124,939,266	(18,934,871)

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	Note	2025 Rupees	2024 Rupees
34.2 Auditors' remuneration			
Statutory audit		7,000,000	3,091,200
Fee for review of half yearly financial information		918,000	530,000
Other certification		150,000	887,500
Review of statement of compliance		500,000	240,000
Out of pocket		800,000	815,150
		9,368,000	5,563,850

34.3 There is no donation to a party exceeding Rs. 500,000. Further, none of the Directors or their spouses have any interest in the donee.

	Note	2025 Rupees	2024 Rupees
35. RESEARCH AND DEVELOPMENT EXPENSES			
Salaries and benefits	35.1	8,644,330	8,696,171
Vehicle repair and maintenance		1,963,005	744,186
Others		186,531	30,625
		10,793,866	9,470,982

35.1 It includes the defined contribution plan - provident fund of Rs. 0.36 million (2024: Rs. 0.26 million).

	Note	2025 Rupees	2024 Rupees
36. OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	25.4	360,015,112	269,914,801
Workers' Welfare Fund	25.3	143,946,023	88,083,811
Workers' Welfare Fund - prior year impact		-	-
Central Research Fund		72,007,439	52,545,188
Allowance for expected credit losses	13.1	72,305,950	35,278,697
(Reversal) / provision against sales tax refundable	17.1	(88,092,012)	88,092,012
Exchange (gain) / loss		23,308,718	(1,365,310)
		583,491,230	532,549,199

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
	Note	Rupees	Rupees
37. OTHER INCOME			
Return on deposits and mark on interest bearing accounts		55,485,042	79,385,190
Dividend Income on short term investments		3,480,237	71,972,605
Unrealized gain on re-measurement of short term investments to fair value		176,008,959	157,792,965
Realised gain on short term investments		168,760,287	79,159,430
Royalty income from associate		6,354,522	-
Deferred income	24.1	1,315,308	1,315,410
Gain on disposal of operating fixed asset	7.1.6	15,528,278	27,903,169
Liabilities written back		2,186,500	-
Scrap sales		5,780,615	20,094,383
Other income		6,080,224	3,757,604
Reversal of expected credit losses		-	125,636
		440,979,972	441,506,392
38. FINANCE COSTS			
Finance cost on lease liabilities	21.3	42,200,124	69,727,016
Markup on long term loans		35,676,631	217,671,374
Markup on short term borrowings		34,961,412	107,202,828
Bank charges		16,896,257	12,350,984
Interest on Workers' (Profit) Participation Fund		1,172,261	429,012
		130,906,685	407,381,214
39. LEVY			
Levy			
Final tax	39.1	13,232,674	19,930,608

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.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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:

	2025 Rupees	2024 Rupees
Current tax liability for the year as per applicable tax laws	2,486,568,641	1,598,781,581
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(2,473,335,967)	(1,578,850,973)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(13,232,674)	(19,930,608)
Difference	-	-

40. TAXATION

Current income tax:

Current year	2,473,335,967	1,578,850,973
Prior year	(14,685,883)	(47,088,392)
	2,458,650,084	1,531,762,581

Deferred tax:

Current year	3,747,363	92,290,535
Prior year	-	-
	3,747,363	92,290,535
	2,462,397,447	1,624,053,116

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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:

	Note	2025 Rupees	2024 Rupees
Profit before income tax		6,603,947,524	5,032,499,738
Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)		1,915,144,782	1,459,424,924
Effect of allowable / not allowable deductions		(53,554,304)	(111,706,241)
Tax credit		(402,675)	(2,826,069)
Effect of amounts subject to fixed / final taxes		(13,232,674)	(55,945,602)
Effect of super tax		629,128,201	386,015,171
Prior year income tax charge		(14,685,883)	(47,088,392)
Prior year deferred tax charge		-	(3,820,675)
Effect of deferred tax		3,747,363	92,290,535
Average tax expense charged to profit or loss		2,462,397,447	1,624,053,116
Average tax rate charged to profit or loss		37.29%	32.27%

40.2 The aggregate of final tax and income tax amounting to Rs. 2,458.65 million (2024: Rs. 1,531.76 million) represents tax liability of the Company 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 Group which is based on:

		2025	2024
Profit after taxation	Rupees	4,128,317,403	3,388,516,014
Weighted average number of ordinary shares	Number of shares	52,983,363	52,983,363
Earnings per share	Rupees	77.92	63.95

41.1 During the year the Group has not issued any bonus shares.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

		2025	2024
42. CASH FLOWS FROM OPERATING ACTIVITIES	Note	Rupees	Rupees
Profit before levy and taxation		6,603,947,524	5,012,569,130
Adjustments for non-cash and other items:			
Depreciation of operating fixed assets	7.1	417,782,756	346,673,521
Amortization of intangible assets	8.2	14,749,801	10,835,830
Provision / reversal for defined benefit obligation	24.2.2	295,087,646	(114,867,079)
(Reversal) / provision for slow moving and obsolete stocks	12.1	(8,941,970)	18,474,525
Provision for Workers' Profit Participation Fund	25.4	360,015,112	269,914,801
Provision for Workers Welfare Fund	25.3	143,946,023	88,083,811
Provision for Central Research Fund	36	72,007,439	52,545,188
Finance cost	38	130,906,685	407,686,357
Allowance for expected credit losses	13.1	72,305,950	35,153,061
(Reversal) / Provision for sales tax refundable		(88,092,012)	88,092,012
Deferred income	37	(1,315,308)	(1,315,410)
Exchange loss / (gain) - net	36	23,308,718	(1,365,310)
Gain on disposal of property plant and equipment	37	(15,528,278)	(27,903,168)
Un-realized gain on remeasurement of investments	37	(176,008,959)	(157,792,965)
Return on deposits	37	(55,485,042)	(72,261,078)
Dividend income on short term investment	37	(3,480,237)	(71,972,605)
		1,181,258,324	869,981,491
Cash flow before working capital changes		7,785,205,848	5,882,550,621
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		(987,107,545)	207,064,439
Trade debts		(2,072,866,808)	(290,326,651)
Advances, trade deposits and prepayments		(102,283,271)	28,857,877
Other receivables		(25,321,152)	(14,760,615)
Tax refunds due from the Government		112,723,237	16,821,726
Increase / (decrease) in current liabilities:			
Trade and other payables		176,700,478	924,790,773
Contract liabilities		4,456,400	160,076,321
		(2,893,698,661)	1,032,523,870
Cash generated from operations		4,891,507,187	6,915,074,491

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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:

	2025			2024		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
-----Rupees-----						
Short-term employee benefits						
Managerial remuneration	45,120,823	18,933,573	741,996,041	27,609,927	14,759,520	702,255,786
House rent, utilities and medical	19,437,326	6,966,426	318,404,059	7,954,116	3,840,480	275,717,541
Conveyance allowance	3,000,000	3,000,000	1,334,924	1,900,000	1,900,000	981,764
Retirement benefits	60,667,543	1,160,666	168,797,419	5,924,228	799,247	37,131,172
	128,225,692	30,060,665	1,230,532,443	43,388,271	21,299,247	1,016,086,263
Number of persons	1	1	248	1	1	201

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. 136.325 million (2024: Rs. 177.215 million) charged in the statement of profit or loss in respect of bonus to chief executive and executives of the Group.

43.3 In addition, 3 (2024: Nil) directors were paid aggregate fee of Rs 900,000 (2024: Nil). Directors are not paid any remuneration except meeting fee.

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.

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

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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 December 31, 2025 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 2025

	Changes in FC Rate	Effects on profit before tax 2025	Effects on profit before tax 2024
		Rupees	Rupees
Receivables - USD	+15%	23,589,534	6,199,980
	-15%	(23,589,534)	(6,199,980)
Receivables - Euro	+15%	1,294,159	-
	-15%	(1,294,159)	-
Payables - Euro	+15%	(2,031,976)	(6,334,390)
	-15%	2,031,976	6,334,390
Payables - USD	+15%	(39,575,270)	(95,677,359)
	-15%	39,575,270	95,677,359
Bank balance - USD	+15%	34,259,222	11,205,440
	-15%	(34,259,222)	(11,205,440)
Cash in hand - Saudi Riyal	+15%	-	79,182
		-	(79,182)
Cash in hand - Euro	+15%	-	870
		-	(870)
Cash in hand - CNY	+15%	-	29,736
		-	(29,736)

	Average rates		Reporting date rate	
Reporting date rate:	2025	2024	2025	2024
	Rupees			
USD	280.13	280.21	280.17	278.55
Euro	328.85	300.79	314.82	290.08
JPY	1.79	1.89	1.84	1.78
GBP	377.17	354.15	365.66	349.71
AED	76.28	76.29	76.29	75.84
Saudi Riyal	74.70	74.65	74.68	74.14
CNY	40.07	38.90	39.49	38.16

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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	2025 Rupees	2024 Rupees
Financial assets			
Variable rates instruments			
Cash and bank balances - deposit accounts	18	151,294,790	382,406,324
Short-term investments			
- term deposit receipts	16	400,372,214	166,929,713
Financial liabilities			
Variable rates instruments			
Lease liabilities	21	301,342,844	51,939,418
Long-term loan	22	6,319,789	447,716,085
Short term borrowing	28	301,798,222	784,230,282
Fixed rates instruments			
Lease liabilities	21	192,241,257	50,803,192

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.

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For The Year Ended 31 December 2025

	Changes in interest rate	Effects on profit before tax 2025	Effects on profit before tax 2024
	Percentage	Rupees	Rupees
Lease liabilities	+5	(15,067,142)	(4,261,971)
	-5	15,067,142	4,261,971
Long-term Loan	+5	(315,989)	22,385,804
	-5	315,989	(22,385,804)
Short term borrowings	+5	15,089,911	39,211,514
	-5	(15,089,911)	(39,211,514)
Short-term investments - term	+5	20,018,611	8,346,486
deposit receipts	-5	(20,018,611)	(8,346,486)
Cash and bank balances -	+5	7,564,740	19,120,316
deposit accounts	-5	(7,564,740)	(19,120,316)

(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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For The Year Ended 31 December 2025

	Changes in Fair Value	Effects on profit before tax 2025	Effects on profit before tax 2024
		Rupees	
Short-term investments -	+5%	132,962,523	173,596,047
mutual funds	-5%	(132,962,523)	(173,596,047)

(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:

	2025 Rupees	2024 Rupees
Financial assets at amortized cost:		
Trade receivables	4,400,848,568	2,423,596,428
Trade deposits	112,455,052	49,407,566
Other receivables	10,334,249	25,887,414
Short term investments - Total	3,059,622,682	3,638,850,646
Cash and bank balances	584,225,906	1,493,747,356
	8,167,486,457	7,631,489,410

(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.

	2025 Rupees	2024 Rupees
Pakistan	4,364,914,735	2,350,346,443
Kenya	-	28,731,369
Cambodia	425,324	424,992
Sudan	12,089	5,370,178
Afghanistan	154,173,067	6,698,845
Mauritius	-	11,361
Tanzania	-	89,664,744
France	8,627,741	-
Sri Lanka	24,803	-
Thailand	2,301,703	-
Zambia	326,560	-
	4,530,806,022	2,481,247,932

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

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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, 2025

Estimated total gross carrying

amount at default	1,948,815,852	2,282,218,324	255,189,398	44,582,448	4,530,806,022
Expected credit loss	18,100,282	22,832,867	50,366,208	38,658,097	129,957,454
Expected credit loss rate	0.93%	1.00%	19.74%	86.71%	

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	1,799,663,479	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%	

(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			2025	2024
	Short term	Long term	Agency	Rupees	Rupees
Bank balances:					
Allied Bank Limited	A-1+	AAA	PACRA	34,699	70,929
Askari Bank Limited	A-1+	AA+	PACRA	7,789,771	12,479,148
Bank Al Habib Limited	A-1+	AAA	PACRA	23,730	18,730
Bank Alfalah Limited	A-1+	AAA	PACRA	5,758	257
Bank Islami Pakistan Limited	A-1	AA-	PACRA	2,009,831	-
Bank Makramah Limited	A-3	BBB-	VIS	32,463	-
Bank of Punjab	A-1+	AA+	PACRA	63,394	-
Habib Bank Limited	A-1+	AAA	VIS	33,525,208	219,721,606
Dubai Islamic Bank	A-1+	AA	VIS	39,524	111,000,449
Faysal Bank Limited	A-1+	AA	PACRA	58,274	-
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	31,018,557	19,982,973
JS Bank Limited	A-1+	AA	PACRA	1,372,579	1,230,608
MCB Bank Limited	A-1+	AAA	PACRA	523,339	3,811,028
Meezan Bank Limited	A-1+	AAA	VIS	506,146,706	1,118,797,167
Mobilink Microfinance Bank Limited	A-1	A	PACRA	752,697	2,342,995
National Bank Of Pakistan	A-1+	AAA	PACRA	10,000	6,086
Summit Bank	A-3	BBB-	VIS	-	25,259
Standard Chartered Bank	A-1+	AAA	PACRA	402,382	402,382
United Bank Limited	A-1+	AAA	VIS	17,372	3,223,969
				583,826,284	1,493,113,586
Short term investments - term deposit receipts					
First Habib Modaraba	A-1+	AA+	PACRA	394,372,214	159,729,713
Askari Bank Limited	A-1+	AA+	PACRA	-	7,200,000
JS Bank	A-1+	AA	PACRA	6,000,000	-
				400,372,214	166,929,713

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			2025	2024
Long term	Agency		Rupees	Rupees
Short-term investments - mutual funds				
Alfalah GHP Money Market Fund	AA+(f)	PACRA	343,450,947	520,888,356
Alfalah GHP Income Fund (AGHPIF)	AA-(f)	PACRA	1,665	-
MCB Cash Management Optimizer Fund	AA+(f)	PACRA	211,908,831	215,329,898
Faysal Halal Amdani Fund	AA(f)	PACRA	323,883	303,365
Faysal Islamic cash fund	AA(f)	PACRA	16,963	-
NBP Money Market Fund	AA(f)	PACRA	-	522,825
NBP Financial Sector Income Fund	A+(f)	PACRA	-	122,532,634
UBL Money Market Fund- Class "C"	AA+(f)	PACRA	-	256,261,836
UBL Liquidity Plus Fund	AA+(f)	PACRA	140,270	130,968
UBL Government Securities Fund	AA+(f)	PACRA	200,000,000	-
UBL Income Opportunity Fund	AA(f)	PACRA	766,446	-
UBL Al Amin Shariah Fund	AA(f)	PACRA	4,185	2,944
UBL Growth And Income Fund - Class 'lu'	A+(f)	PACRA	47,000	-
Al-Ameen Islamic Energy Fund - Class 'A'	AA(f)	PACRA	12,155	-
Ubl Liquidity Fund - Class 'A'	AA+(f)	PACRA	207,582,998	-
NIT Social Impact Fund	A+(f)	VIS	260,732,231	450,311,140
NIT Government Bond Fund	AA(f)	PACRA	12,029,417	575,821,402

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For The Year Ended 31 December 2025

	Rating		2025	2024
	Long term	Agency	Rupees	Rupees
Short-term investments - mutual funds				
NIT Income Fund	AA-(f)	PACRA	317,163	50,000,000
NIT Money Market Fund	AAA(f)	PACRA	203,442,542	-
Pak Qatar Income Plan	AA-(f)	PACRA	105,120,676	385,598,185
HBL Money Market Fund	AA+(f)	PACRA	780,704	618,572
Financial Sector Income Fund Plan I	A+(f)	PACRA	7,556	-
ABL Government Securities Funds B	AA-(f)	PACRA	137	124
ABL Fixed Rate Plan VIII	AM 1	PACRA	-	105,783,000
ABL Fixed Rate Plan XII	A+(f)	PACRA	-	538,395,881
ABL Fixed rate plan-XX	A+(f)	PACRA	204,642,000	-
ABL FIXED RATE PLAN - XIX	AA+	PACRA	114,952,199	-
ABL Cash Fund	AA+(f)	PACRA	-	41,029
JS Cash Fund	AA+(f)	PACRA	67,869	63,251
JS Microfinance Sector Fund	A(f)	PACRA	257,805,341	-
AL Habib Income Fund	AM 1	PACRA	529,698	119,084,173
AL Habib Money Market Fund	AAA(f)	PACRA	101,732,375	-
Lakson Income Fund	A+(f)	PACRA	179,033,956	130,231,350
Lucky Islamic Money Market Fund	AA+(f)	PACRA	50,000,000	-
Meezan Cash Fund	AA+(f)	PACRA	184,195,700	-
Meezan Gold Fund	AM 1	PACRA	19,590,109	-
Meezan Rozana Amdani Fund	AA+(f)	PACRA	15,452	-
			2,659,252,493	3,471,922,957

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 cashflows	within 1 year	1 to 2 years	2 to 5 years	More than 5 years
As at December 31, 2025 -----Rupees-----						
Lease liabilities	493,584,101	617,801,350	163,057,411	157,768,333	296,975,606	-
Long term Loan	6,319,789	14,255,709	4,194,723	4,097,316	5,963,670	-
Short term borrowings	301,798,222	301,798,222	301,798,222	-	-	-
Trade and other payables	2,291,750,446	2,291,750,446	2,291,750,446	-	-	-
Unclaimed dividend	304,559,821	304,559,821	304,559,821	-	-	-
	3,398,012,379	3,530,165,548	3,065,360,623	161,865,649	302,939,276	-

As at December 31, 2024						
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	-	-	-
	3,893,480,735	5,117,962,659	3,731,982,150	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

2025		
AT FVTPL	Amortized cost	Total
-----Rupees-----		

Assets as per consolidated statement of financial position:

Long term deposits	-	84,586,147	84,586,147
Trade debts	-	4,400,848,568	4,400,848,568
Trade deposits	-	27,868,905	27,868,905
Other receivables	-	176,743,922	176,743,922
Cash and bank	-	584,225,906	584,225,906
Short term investments	2,659,250,468	400,372,214	3,059,622,682
	2,659,250,468	5,674,645,662	8,333,896,130

2024		
AT FVTPL	Amortized cost	Total
-----Rupees-----		

Assets as per consolidated statement of financial position:

Long term deposits	-	25,566,894	25,566,894
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	4,297,269,936	7,769,190,869

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	2025	2024
	At amortized cost	
	-----Rupees-----	
Liabilities as per consolidated statement of financial position:		
Lease liabilities	493,584,101	136,042,610
Long term loan	6,319,789	447,716,085
Unclaimed dividend	304,559,821	210,193,857
Short term borrowings	301,798,222	784,230,282
Trade and other payables	2,291,750,446	2,315,297,901
	3,398,012,379	3,893,480,735

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.

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

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

	2025 Rupees	2024 Rupees
Long-term loan	6,319,789	447,716,085
Lease liabilities	493,584,101	136,042,610
Trade and other payables	3,066,846,080	2,315,297,901
	3,566,749,970	2,899,056,596
Add: Short term borrowings	301,798,222	784,230,282
Less: Cash and short-term deposits	(984,598,120)	(1,493,747,356)
Net debt	2,883,950,072	2,189,539,522
Share capital	529,833,630	529,833,630
Revaluation surplus on operating fixed assets	1,041,210,488	1,077,558,758
Revenue reserves	12,181,933,023	10,187,737,871
	13,752,977,141	11,795,130,259
Total capital employed	16,636,927,213	13,984,669,781
	17%	16%

46. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Dividend	Long-term loan	Lease liabilities	Total
As at December 31, 2025	-----Rupees-----			
Opening balance	210,193,857	447,716,085	136,042,610	793,952,552
Cash flows - net	(2,024,968,556)	(441,396,296)	(140,790,934)	(2,607,155,786)
Non cashflows	2,119,334,520	-	498,332,425	2,617,666,945
Closing balance	304,559,821	6,319,789	493,584,101	804,463,711

	Dividend	Long-term loan	Lease liabilities	Total
As at December 31, 2024	-----Rupees-----			
Opening balance	138,561,386	714,112,381	528,560,365	1,381,234,132
Cash flows - net	(1,629,168,260)	(266,396,296)	(392,517,755)	(2,288,082,311)
Non cashflows	1,700,800,731	-	-	1,700,800,731
Closing balance	210,193,857	447,716,085	136,042,610	793,952,552

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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 2025

	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, 2025	-----Rupees -----			
Short-term investment	2,659,250,468	-	-	2,659,250,468
Revalued Property, plant and equipment				
Land-freehold	-	1,078,840,082	-	1,078,840,082
Building on freehold land	-	-	539,624,201	539,624,201
Plant and machinery	-	-	1,299,429,119	1,299,429,119
Total	2,659,250,468	1,078,840,082	1,839,053,320	5,577,143,870

	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
Revalued Property, plant and equipment:				
Land- freehold	-	1,078,840,082	-	1,078,840,082
Building on freehold land	-	-	564,693,782	564,693,782
Plant and machinery	-	-	1,301,895,812	1,301,895,812
Total	3,471,920,933	1,078,840,082	1,866,589,594	6,417,350,609

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 7 and Note 20, 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 2025

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	2025	2024	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
	Rupees	Rupees		

Revalued Property plant and equipment

Land - freehold	1,078,840,082	1,078,840,082	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	539,624,201	564,693,782	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	1,299,429,119	1,301,895,812	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 2025

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 subsidiary, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel (Note 43). The transactions with related parties are carried out under the related party transactions policy approved by the Board of Directors of the Group. Details of transactions with related parties and balances with them at year end, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

48.1 Transactions during the year:

Undertaking	Relationship	Nature of transaction	2025 Rupees	2024 Rupees
Route 2 Health (Pvt) Ltd	Associate (Common directorship and shareholder of 0.45% (2024:0.45%))	Sales during the year	115,296,184	-
		Purchases	-	44,894,204
		Royalty Income	6,354,522	-
		Sale of fixed assets	152,271	-
		Payments during the year	-	42,741,032
		Receipts during the year	127,073,970	-
		Purchase return	7,424,165	-
		Dividend declared	9,523,160	20,439,870
		Dividend paid	9,523,160	20,439,870
Pharmatec Investments Limited	Associate (Common control and Shareholder of 8.34% (2024:8.34%))	Dividend declared	176,649,680	132,487,260
		Dividend paid	176,649,680	243,787,108
Retirement benefit plans / funds	Staff retirement funds and welfare trust	Contribution to retirement benefit plans	88,374,163	80,799,212
		Dividend paid to retirement benefit plans	8,542,000	6,406,500
		Contribution to staff welfare trust	3,689,049	3,775,483
		Dividend paid to retirement benefit plans	7,860,680	7,743,690
		Contribution to provident fund	15,421,812	5,408,135

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

48.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of transaction	2025 Rupees	2024 Rupees
Route 2 Health (Pvt) Ltd	Associate	Trade and other payables	-	2,153,172
Pharmatec	(Common directorship and share holder of 0.45% (2024:0.45%))			

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

49. NUMBER OF EMPLOYEES

	2025	2024
Number of employees at the end of the year	2,563	2,376
Average number of employees during the year	2,470	2,386

50. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However no significant rearrangement / reclassification has been done during the year except for the following:

Reclassification from	Reclassification to	Amount (Rupees)
Consolidated statement of financial position		
Tax refunds due from the Government	Taxation - net	15,209,679
Contract liabilities	Trade and other payables	12,515,508
Consolidated statement of profit or loss		
Revenue from contracts with customers - net	Cost of revenue	11,386,680

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

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

51. PLANT CAPACITY AND PRODUCTION

Annual production	2025 Million units	2024 Million units
Packs solids	79.11	73.50
Packs liquids	26.26	27.01
Packs drops	8.98	9.45
Packs suspension	8.25	11.18
Packs devices	0.68	0.93
Packs sachets	0.44	0.50
Packs cream	0.01	0.06
Total units	123.73	122.63

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.

53. EVENTS AFTER THE REPORTING DATE

53.1 Subsequent to the reporting date, the Board of the Holding Company in its meeting held on February 2, 2026 approved, in principle, a potential acquisition of a company.

The proposed acquisition is expected to strengthen the Group's strategic position through potential expansion of its business footprint, enhancement of its product portfolio and capabilities, and realization of operational and commercial synergies, including broader market access and distribution efficiencies.

The transaction is currently at an evaluation stage and remains subject to completion of due diligence, negotiation and execution of definitive agreements, receipt of applicable corporate and regulatory approvals, and satisfaction of other customary conditions precedent. Accordingly, the financial impact, if any, cannot presently be determined. Further disclosures will be made as required under applicable laws and the rules of Pakistan Stock Exchange.

53.2 The Board of Directors of the Holding Company in its meeting held on April 6, 2026 has proposed cash dividend at the rate of Rs. 50 (2024: Rs. 40) per share and nil bonus shares for the year ended December 31, 2025, (2024: Nil) subject to the approval of shareholders in the Annual General Meeting to be held on April 30, 2026. These consolidated financial statements do not reflect these appropriations.

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

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.

Description	Explanation	2025 Rupees	2024 Rupees
Consolidated statement of financial position - liability side			
Accrued markup	Non-shariah compliant	1,877,857	3,392,774
Long term loan - secured	Shariah Compliant	-	437,500,000
Short term borrowings	Shariah Compliant	301,798,222	772,796,680
Consolidated statement of financial position - asset side			
Short term investment	Shariah Compliant	598,173,475	159,729,713
Bank balances	Shariah Compliant	508,317,729	479,798,616
Bank deposits	Shariah Compliant	41,695,374	-
Consolidated Statement of profit or loss			
Revenue from contracts	Shariah Compliant	28,458,948,112	24,735,709,507
Profit on deposits accounts	Shariah Compliant	51,482,713	75,603,196
Profit on deposits accounts	Non-shariah compliant	4,002,327	3,781,994
Income on mutual fund :			
Unrealized gain	Shariah Compliant	3,986,177	-
Realized gain	Shariah Compliant	538,117	-
Exchange gain / (loss)	Shariah Compliant	(23,308,718)	1,365,310
Finance cost paid	Non-shariah compliant	23,299,312	70,910,617
Finance cost paid	Shariah compliant	47,338,731	253,963,585
Source and detailed breakup of other incomes			
Dividend income on short term investment	Non-shariah compliant	3,480,237	71,972,605
Unrealized gain on re-measurement of short term investment to fair value	Non-shariah compliant	172,022,782	157,792,965
Realized gain on short term investment	Non-shariah compliant	168,222,170	79,159,430
Royalty income from associate	Shariah Compliant	6,354,522	-
Deferred income	Non-shariah compliant	1,315,308	1,315,410
Gain on disposal of operating fixed asset	Shariah Compliant	15,528,278	27,903,168
Scrap sales	Shariah Compliant	7,967,114	20,094,383
Other income	Shariah Compliant	6,080,226	125,636
Reversal of expected credit losses	Shariah Compliant	-	3,757,604

Consolidated Notes to the Financial Statements

For The Year Ended 31 December 2025

Relationships with shariah compliant banks

Bank Name	Nature of transactions
Meezan Bank Limited	Bank deposits, investments, borrowings and bank balances
First Habib Modaraba	Investments
Faysal Bank Limited	Bank balances
Dubai Islamic Bank Limited	Bank balances
Bank Islamic Pakistan Limited	Bank balances
Bank of Punjab	Bank balances and borrowings

55. DATE OF AUTHORIZATION OF ISSUE

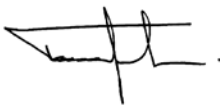
The Board of Directors of the Company authorized these consolidated financial statements for issuance on 6th April 2026.

56. 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 Alidina
Chief Financial Officer



Secretarial Practices

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of **Highnoon Laboratories Limited** will be held on Thursday, 30th April, 2026, 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 Annual General Meeting held on Tuesday, 29th April, 2025.
2. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with the Standalone and Consolidated Audited Annual Financial Statements of the Company for the year ended 31st December, 2025.
3. To approve the payment of final cash dividend of Rs. 50 /- per share i.e. @ 500 % for the year ended 31st December, 2025, 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 re-appointment of BDO Ebrahim & Co. Chartered Accountants as auditors of the Company for the financial year ending 31st December, 2026.

SPECIAL BUSINESS

5. To consider, ratify and approve the transactions carried out with related parties during financial year ended 31st December 2025 and to authorize the Board of Directors to approve all the transactions with the related parties carried out or to be carried out during the financial year ending 31st December, 2026 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.

"Resolved that, the related party transactions carried out by the Company during the financial year ended 31st December 2025 and as disclosed in Financial Statements for the Year ended 31st December, 2025 be and are hereby ratified and approved"

Further Resolved that, the Board of Directors of the Company be and is hereby authorize to undertake the transactions to be conducted with the Related Parties during the financial year ending on 31st December, 2026

and to take all necessary steps including but not limited to signing/executing 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."

OTHER BUSINESS

6. 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.

By order of the Board

Baqar Hasan

Lahore

Senior General Counsel &
Company Secretary

09th April, 2026

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed from 23rd April, 2026 to 30th April, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar and Transfer Agent, Corplink (Pvt.) Limited, Wings Arcade, 1K Commercial, Model Town, Lahore by the close of business on 22nd April, 2026 will be treated in time to determine the entitlement and to attend, speak and vote at AGM.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING THROUGH VIDEO LINK FACILITY

The Securities and Exchange Commission of Pakistan, vide Circular No. 4 dated 15th February, 2021, and Circular No. 6 dated 3rd March, 2021, has directed listed companies to provide members with the facility to participate in the Annual General Meeting (AGM) via video link, in addition to permitting physical attendance.

Members or their proxy holders who wish to attend and participate in the AGM through video-link may do so

using smartphones, computers, tablets, or other electronic devices. Members or their proxy holders intending to attend the AGM through video-link are requested to register by sending an email or WhatsApp message to the address/number provided below at least forty-eight (48) hours prior to the time of the AGM and provide the information as stated in the below-mentioned form within the same timeframe.

Sr. No	Folio/CDC Account No.	Name of the Shareholder	CNIC No.	No. of Shares	Mobile No	Email Address

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 Members 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

For Attending the Meeting

- In case of Individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his / her identity by showing his / her original CNIC or original passport at the time of attending the meeting.
- Members registered on Central Depository Company (CDC) are also requested to bring their particulars, ID Number and account number in Central Depository System (CDS).
- In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted along with proxy Form to the Company.

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 01 dated 26th January, 2000, issued by the Securities and Exchange Commission of Pakistan.

For appointing the proxies

- In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the Proxy Form as per the above requirement.
- Proxy form shall be witnessed by two persons whose

names, addresses and CNIC Numbers shall be mentioned on the Form.

- Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- The Proxy shall produce his/her original CNIC or original passport at the time of meeting.

A member entitled to attend and vote at this meeting may appoint another member or any person as a proxy to attend and vote on their behalf. 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 promptly intimate any change in their address to our Share Registrar and Transfer Agent, **Corplink (Pvt.) Limited**. The proxy form may be downloaded and printed from the Company's website.

4. WITHHOLDING TAX ON DIVIDEND

The Federal Board of Revenue (FBR) has provided the Active Taxpayer List ("ATL") for the purpose of identifying the filer/non-filer status of Members based on their NTN/CNIC numbers. In the absence of a valid NTN/CNIC number with the Share Registrar and Transfer Agent of the Company, it will not be possible to determine the shareholder's status, and such Members will be treated as 'Non-Filers', with the applicable higher tax rate being imposed. Furthermore, joint Members are requested to communicate their respective percentage of shareholding to the Share Registrar and Transfer

Agent of the Company, **Corplink (Pvt.) Limited**, so that the withholding tax applicable to each joint shareholder can be accurately calculated based on their filer/non-filer status. Please note that if such information is not provided, each joint shareholder will be assumed to hold an equal proportion of shares, and the tax deduction will be made accordingly.

Members shall cast vote online from 27th April, 2026 9:00 a.m. till 29th April, 2026 5:00 p.m. Voting shall close on 29th April, 2026, 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.

CDC Account No./ Folio No	Name of Principal Shareholder/Joint Holders	Shareholding Proportion	CNIC No. (copy attached)	Signature

5. ELECTRONIC DIVIDEND MANDATE AND CNIC

In compliance with S.R.O. 1145(I)/2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and Section 242 of the Companies Act, 2017, it is mandatory that all cash dividends be paid electronically by directly crediting the dividend amount into the shareholder's designated bank account. Members who have not yet provided their bank account details are once again requested to submit the Name of the Bank, Branch Name and Address, Title of Account, and IBAN Number, along with a valid copy of their CNIC. CDC members are requested to ensure that their bank account details are updated with their respective participants, while physical Members should send their details to the Company or our Share Registrar and Transfer Agent, Corplink (Pvt.) Ltd, mentioning the Company name and Folio Number.

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 22nd April, 2026** by **Corplink (Private) 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.

7. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

In terms of SECP's Notification No. 451(I)/2025 dated 13th March, 2025 the members of the Company can only cast their votes through postal ballot (by post or through e-voting) in respect of all Special Business. Accordingly, the members shall be provided with e-voting and postal ballot facilities for casting their votes in respect of Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018

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/downloads/other-information> 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 km Multan Road, Lahore or email at investor.relations@highnoon.com.pk one day before the AGM, i.e., on 29th April, 2026, 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. CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS AND NOTICE OF AGM TO MEMBERS

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated 21st March, 2023, the Company has obtained Members' approval in the Annual General Meeting held on 29th April, 2024, to circulate its Annual Report to the Members through QR enabled code and weblink instead of transmitting the same through CD/DVD/USB.

Further, in accordance with SECP Notification No. S.R.O. 452(I)/2025 dated 17th March, 2025, the Company shall circulate the notice of general meeting to members through electronic mail, in addition to the annual audited financial statements, where the member has provided a valid email address to the Company, irrespective of whether specific consent has been obtained for receipt of such notice electronically.

Members are encouraged to ensure that their email addresses and other contact particulars are duly updated. Members holding physical shares are requested to submit their email addresses to the Share Registrar and Transfer Agent of the Company, i.e., Corplink (Pvt.) Limited. In case the shares are held in electronic form, the relevant information must be provided directly to their respective Stock Brokers or to the Central Depository Company (CDC), as applicable.

The Annual Report for the financial year ended on 31th, December 2025, is available through QR enabled code as given hereunder:

QR code for Annual Report



Annual Report shall also be circulated to the members through their emails as maintained with the Company. However, if a member requires hard copy of the Annual Audited Financial Statements, the same can be obtained, free of cost, within one week of the request. In this regard, a Standard Request Form has been placed on website of the Company, i.e <https://highnoon-labs.com/downloads/other-information>

The Members may send the Standard Request Form to the Company Secretary / Share Registrar and Transfer Agent who will provide the hard copy of the Annual Audited Financial Statements.

Annual Report 2025 including Notice of AGM, and the Annual Audited Financial Statements, Reports has been placed on the website of the Company. <https://highnoon-labs.com/downloads/annual-report>

10. CODE OF CONDUCT FOR SHAREHOLDERS IN GENERAL MEETING:

Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations 2024 "Conduct of Shareholders at Meetings" state as follows:

- i. shall not bring such material that may cause threat to participants or premises where meeting is being held;
- ii. shall confine themselves to the agenda items covered in the notice of meeting;
- iii. shall keep comments and discussion restricted to the affairs of the company; and
- iv. shall not conduct in a manner to disclose any political affiliation or offend religious susceptibility of other members.

11. PROHIBITION ON DISTRIBUTION OF GIFTS AT GENERAL MEETINGS

Pursuant to Section 185 of the Companies Act, 2017, and the directive issued by the SECP vide S.R.O. 452(I)/2025 dated 17th March, 2025, the distribution of gifts, cash, coupons, vouchers, or any other form of incentives at the Annual General Meeting is strictly prohibited.

12. UNCLAIMED DIVIDENDS AND SHARE CERTIFICATES:

Members, who have not yet claimed their cash dividend warrants including right/bonus share certificates either kept with themselves or have been returned as undelivered to the Share Registrar and Transfer Agent of the Company, are requested to make a claim for such unpaid/unclaimed dividends and right/bonus share certificates. In this regard, the Company had already sent notices to the Members at their registered addresses and also published notices in the newspapers having nationwide circulation, requesting them to submit their claims. In the absence of such claims, the Company will proceed to comply with regulatory requirements.

13. PROVISION OF EMAIL ADDRESS AND MOBILE NUMBER:

In addition to the above, the Financial Statements shall also be circulated to the Members through their emails, as maintained with the Company. Similarly, the Companies (Postal Ballot) Regulations, 2018 also requires that the Company shall maintain the record of email address and mobile number of Members for casting vote, in a secured manner, through e-voting. Therefore, in order to meet above-mentioned regulatory requirements, the Members are requested, if not provided earlier, to submit their email addresses and mobile numbers to the Share Registrar and Transfer Agent of the Company i.e. **Corplink (Pvt.) Ltd**, in case of physical shares. However, in case the shares are held in electronic form, the said information must be provided directly to the Stock Brokers or the CDC.

14. CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM:

SECP through its letter No. CSD/ED/Misc/2016-639-640, dated 26th March, 2021 has advised the listed

companies to adhere with the provisions of the Section 72 of the Companies Act, 2017 requiring all the existing companies to replace shares issued by them in Physical Form with shares issued in the Book-Entry Form in a manner as may be specified by the SECP. Therefore, the Members having physical shareholding are requested to open Investor Account directly with CDC or CDC sub-account with any of CDS Participant to replace their physical shares into book-entry form. Such conversion of shares will facilitate the Members in many ways including safe custody of shares; no loss, damage or theft of shares; avoidance of formalities required for the issuance of duplicate shares/transmission of shares to legal heirs; no stamp duty required for issuance of duplicate shares and transfer of shares; swift credit of bonus and right issue in electronic form and readily available for sale, purchase or transfer in open market. Therefore, it is in the best interest of the Members that they may contact the Share Registrar and Transfer Agent of the Company **Corplink (Private) Limited** for the conversion of Physical shares into Book-Entry Form.

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 30th April, 2026.

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:

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 2025 have been specified under Note 49 of the financial statements, have been provided hereunder:

Name of related party	Relationship	Nature of transactions	2025 Rupees	2024 Rupees
Curexa Health (Private) Limited	Subsidiary (100% owned subsidiary)	Sales during the year	526,613,328	-
		Purchases	231,742,630	94,816,547
		Royalty Income	4,485,679	-
		Sale of fixed assets	38,321,201	11,574,291
		Payments during the year	-	83,785,049
		Receipts during the year	220,856,989	6,872,574
		Payments made on behalf	25,557,928	7,189,855
		Loan repayment received	-	10,000,000
		Interest on loan to subsidiary	7,592,011	305,142
		Receivable adjusted against loan	150,777,712	-
		Equity investment	125,000,000	-
		Loan to subsidiary	425,000,000	-
Route 2 health (Private) Limited	Associate (Common directorship and shareholder of 0.45%(2024:0.45%))	Sales during the year - net	115,296,184	-
		Purchases-net	-	44,894,204
		Royalty Income	6,354,522	-
		Sale of fixed assets	152,271	-
		Payments during the year	-	42,741,032
		Receipts during the year	127,073,970	-
		Purchase return	7,424,165	-
		Dividend declared	9,523,160	20,439,870
		Dividend paid	9,523,160	20,439,870
Pharmatec Investments Limited	Associate common control and (Shareholder of 8.34% (2024:8.34%))	Dividend declared	176,649,680	132,487,260
		Dividend paid	176,649,680	243,787,108

Name of related party	Relationship	Nature of transactions	2025 Rupees	2024 Rupees
	Staff retirement funds and welfare trust	Contribution to retirement benefit plans	88,374,163	80,799,212
		Dividend paid to retirement benefit plans	8,542,000	6,406,500
		Contribution to staff welfare trust	3,689,049	3,775,483
		Dividend paid to retirement benefit plans	7,860,680	7,743,690
Curexa Health (Private) Limited	Subsidiary (100% owned subsidiary)	Trade receivables	101,544,385	-
		Other receivables	29,675,707	11,574,291
		Accrued Income	1,182,903	-
		Trade and other payables	128,997,228	7,361,340
Route 2 health (Private) Limited	Associate (Common directorship and shareholder of 0.45% (2024:0.45%))	Trade and other payables	-	2,153,172

Related party transactions with Route 2 Health (Pvt) Limited and Curexa Health (Pvt) Limited (wholly owned subsidiary) were carried out in the ordinary course of business.

All related party transactions were presented before the Board of Directors for their review and consideration as recommended by the Audit Committee Accordingly, these transactions are being placed before the members of the Company for their approval.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

“Resolved that, the related party transactions carried out by the Company during the financial year ended 31st December, 2025 and as disclosed in Financial Statements for the Year ended 31st December, 2025 be and are hereby ratified and approved”

Further Resolved that, the Board of Directors of the Company be and is hereby authorize to undertake the transactions to be conducted with the Related Parties during the financial year ending on 31st December, 2026 and to take all necessary steps including but not limited to signing/executing 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.”

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.

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/her

Mr. _____ of _____ who is also a

member of the Company, 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 30th, 2026, at 11.00 a.m. and at any adjournment thereof.

As witness under my/our hand(s) this _____ day of _____ 2026.

Witness:

(Member's Signature)

01 _____

02 _____

Affix Revenue
Stamp of Fifty rupees

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 (no account shall be taken of any part of the day that is not a working day) 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 having the name and specimen signature of the nominee shall be submitted along-with form of proxy to the Company.

AFFIX
CORRECT
POSTAGE STAMP

The Company Secretary
HIGHNOON LABORATORIES LIMITED
17.5 Kilometer, Multan Road,
Lahore - 53700, Pakistan

BALLOT PAPER FOR VOTING THROUGH POST

For polls at the Annual General Meeting of Highnoon Laboratories Limited to be held on Thursday, 30th April, 2026, 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:

investor.relations@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 (Valid copy to be enclosed))	
Additional Information and enclosures (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 - (Valid copy to be enclosed)	
Certified True Copy of Board Resolution/Copy of the Power of Attorney, attested by the Oath Commissioner	

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
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, 2025 and to authorize the Board of Directors to approve all the transactions with the related parties carried out or to be carried out during the financial year ending 31st December, 2026 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, resolutions as Special Resolutions: "Resolved that, the related party transactions carried out by the Company during the financial year ended 31st December, 2025 and as disclosed in Financial Statements for the Year ended 31st December, 2025 be and are hereby ratified and approved"			

	Further Resolved that, the Board of Directors of the Company be and is hereby authorize to undertake the transactions to be conducted with the Related Parties during the financial year ending on 31st December, 2026 and to take all necessary steps including but not limited to signing/executing 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."			
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Signatures of Shareholder(s)/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place: _____

Date: _____

NOTES:

1. Dully filled postal ballot should be sent to chairman (17.5 km, Multan Road, Lahore) or through email at **investor.relations@highnoon.com.pk**.
2. Valid copy of CNIC/NICOP/Passport (in case of foreigner) should be enclosed with the Ballot Paper.
3. In case of an individual, signature on Ballot Paper should match with signature on CNIC, NICOP/Passport (in case of foreigner); however, in case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper must be accompanied by a copy of the valid CNIC of an authorized person, an attested copy of Board Resolution/Power of Attorney/ Authorization Letter etc., in accordance with Section(s) 138/139 of the Companies Act, 2017. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
4. Postal ballot forms should reach chairman of the meeting till 5.00 p.m. 29th April, 2026. Any postal ballot received after this date, will not be considered for voting.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.
7. Ballot Paper has also been placed on Company's website, i.e., **<https://highnoon-labs.com/downloads/other-information/>**. Members/Shareholders may download the Ballot Paper from the web.

DIVIDEND MANDATE LETTER

Valued Shareholder,

Electronic Payment of Cash Dividends

In accordance with Section 242 of the Companies Act, 2017, and the Companies (Distribution of Dividends) Regulations, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP), it is mandatory for listed companies to pay cash dividends to shareholders only through electronic transfer directly into their bank accounts.

In this connection, it is necessary to provide complete bank mandate details including IBAN number to credit the proceeds of the future dividends into your bank account. You are therefore required to provide complete bank mandate details with IBAN otherwise future dividend may be withheld.

For shareholders holding physical share certificates:

Please complete and submit the attached e-dividend mandate form to the Company's Share Registrar at the following address:

Corplink (Private) Limited

Wings Arcade,
1- K Commercial, Model Town,
Lahore, Pakistan

Phone: (+92) 42 35916714
(+92) 42 35916719
(+92) 42 35839182

E-mail: shares@corplink.com.pk
corporate@corplink.com.pk
corplink786@gmail.com

For shareholders holding shares electronically through the Central Depository Company (CDC):

Please submit your e-dividend mandate form to Investor Account Services or your respective broker.

The e-dividend mandate form is enclosed to the printed Annual Report and is also available on the Company's website at <https://highnoon-labs.com/downloads/other-information/>

For any queries or additional information, please contact the Company's Share Registrar at the phone number or email address provided above.

E-DIVIDEND MANDATE FORM

The Company Secretary
Highnoon Laboratories Limited
17.5 Kilometer, Multan Road,
Lahore.

Subject: Bank Account Details for The Payment of Dividend Through Electronic Mode

Dear Sir

I / We _____ being a / the shareholder(s) of the Highnoon Laboratories Limited (the "Company") hereby, authorized the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

Shareholder's details:	
Name of Shareholder(s)	
CDC Participant ID & Sub-Account No.	
Folio No. (Physical / CDC)	
CNIC / NTN No. / Passport (attach copy)	
Shareholder's address	
Mobile Number	
Landline Number	
E-mail Address	
Shareholder's bank account details:	
Title of Bank Account	
Bank Account (IBAN 24-digits starting with PK)	
Bank Name	
Bank's Complete Address	
Bank / Branch Code	

It is stated that the above particulars given by me are correct and I shall keep the Company, inform in Case of any Changes in the said particulars in future.

Yours sincerely,

Signature of Shareholders

(This signature should agree with the specimen registered with the Company)

Notes:

- I. Please affix company stamp in case of corporate entity.
- II. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly to your bank account.

سالانہ رپورٹ ممبران کے کمپنی کے پاس موجود ای میل ایڈریسز پر بھی ارسال کی جائے گی۔ تاہم، اگر کوئی رکن سالانہ جانچ شدہ مالیاتی گوشواراجات کی پرنٹ شدہ کاپی حاصل کرنا چاہے تو وہ درخواست دینے کے ایک ہفتے کے اندر بلا معاوضہ فراہم کر دی جائے گی۔ اس مقصد کے لیے ایک معیاری درخواست فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔ <https://highnoon-labs.com/downloads/other-information>

ممبر معیاری درخواست فارم کمپنی سیکریٹری یا شیئر رجسٹرار اینڈ انسفر ایجنٹ کو ارسال کر سکتے ہیں، جو سالانہ جانچ شدہ مالیاتی گوشواراجات کی بارڈ کاپی فراہم کریں گے۔

سالانہ رپورٹ 2025 بمعدہ نوٹس برائے سالانہ عام اجلاس اور سالانہ جانچ شدہ مالیاتی گوشواراجات رپورٹس کمپنی کی ویب سائٹ پر بھی دستیاب ہیں۔ <https://highnoon-labs.com/downloads/annual-report>

10. **جنرل میٹنگ میں شیئر ہولڈرز کے لیے ضابطہ اخلاق:**
کمپنیز ایکٹ 2017 کا سیکشن 215 اور کمپنیز ریگولیشنز 2024 کے ریگولیشن 55 کے مطابق "عام اجلاس میں شیئر ہولڈرز کا ضابطہ اخلاق" درجہ ذیل بیان کیا جا رہا ہے:

- ایسا مواد نہیں لائے گا جس سے شرکاء یا احاطے کو خطرہ ہو جہاں عام اجلاس ہو رہا ہو؛
- عام اجلاس کے نوٹس میں شامل ایجنڈا آئٹمز تک خود کو محدود رکھیں گے۔
- تبصرے اور بحث کو کمپنی کے معاملات تک محدود رکھیں گے۔ اور
- vi کسی سیاسی وابستگی کو ظاہر کرنے یا دوسرے ممبروں کی مذہبی حساسیت کو مجروح کرنے سے گریز کرے گا۔

11. **عام اجلاس میں تحائف تقسیم کرنے پر پابندی**
کمپنیز ایکٹ 2017 کے سیکشن 185 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ہدایت نامہ S.R.O. 452(I)/2025 مؤرخہ 17 مارچ 2025 کے مطابق، سالانہ عام اجلاس میں تحائف، نقد رقم، کوپن، واؤچرز یا کسی بھی قسم کی ترقیبی اشیاء کی تقسیم سختی سے ممنوع ہے۔

12. **غیر وصول شدہ ڈیویڈنڈ اور شیئرسرٹیفیکیٹس:**
وہ ممبرز جنہوں نے اب تک اپنے نقد ڈیویڈنڈ کے وائنس یا حق/بونس شیئرسرٹیفیکیٹس وصول نہیں کیے، خواہ وہ ان کے پاس موجود ہوں یا کمپنی کے شیئر رجسٹرار اینڈ انسفر ایجنٹ کو ناقابل ترسیل ہو کر واپس آچکے ہوں، سے گزارش ہے کہ وہ ان غیر ادا شدہ/غیر وصول شدہ منافع اور حق/بونس شیئرسرٹیفیکیٹس کے لیے دعویٰ جمع کروائیں۔ اس ضمن میں، کمپنی پہلے ہی اراکین کو ان کے رجسٹرڈ پتوں پر نوٹس ارسال کر چکی ہے اور ملک بھر میں شائع ہونے والے اخبارات میں بھی اشتہارات جاری کیے جا چکے ہیں، جن میں دعوے جمع کروانے کی درخواست کی گئی تھی۔ اگر مقررہ مدت میں دعوے موصول نہ ہوئے تو کمپنی متعلقہ ضوابط کے مطابق ضروری کارروائی عمل میں لائے گی۔

13. **ای میل ایڈریس اور موبائل نمبر کی فراہمی:**
مندرجہ بالا کے علاوہ، مالیاتی گوشواراجات ممبرز کو ان کے کمپنی کے پاس موجود ای میل ایڈریسز پر بھی ارسال کیے جائیں گے۔ اسی طرح، کمپنیز (پوسٹل بیلٹ) ریگولیشن 2018 مطابق، کمپنی کو اراکین کے ای میل ایڈریس اور موبائل نمبر کلاریکاڈ محفوظ طریقے سے برقرار رکھنا ضروری ہے تاکہ ای ووٹنگ کے ذریعے ووٹ دیا جاسکے۔ اس لیے، مذکورہ ضوابط کی تکمیل کے لیے، اراکین سے گزارش ہے کہ اگر پہلے فراہم نہیں کیے گئے، تو وہ اپنے ای میل ایڈریس اور موبائل نمبر کمپنی کے شیئر رجسٹرار اور انسفر ایجنٹ، یعنی کارپ لنک (پرائیویٹ) لمیٹڈ کو جمع کروائیں، بشرطیکہ حصص فزیکل فارم میں ہوں۔ جبکہ وہ اراکین جن کے حصص الیکٹرانک فارم میں ہیں، انہیں یہ معلومات براہ راست اپنے اسٹاک بروکرز یا سنٹرل ڈپازٹری کمپنی (CDC) کو فراہم کرنی ہوں گی۔

14. **فزیکل حصص کو بک اینٹری فارم میں منتقل کرنا:**
سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے خط نمبر CSD/ED/Misc/2016-639-640 مؤرخہ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے احکام کی پابندی کریں، جس کے تحت تمام موجودہ کمپنیوں کو اپنے فزیکل شیئرز منتقل کرنا لازمی ہے جس کا طریقہ کار SECP کی جانب سے مقرر کیا جائے گا۔ اس لیے، وہ اراکین جن کے پاس فزیکل شیئرز ہیں، سے گزارش ہے کہ وہ انویسٹر اکاؤنٹ براہ راست CDC کے ساتھ یا CDS سب اکاؤنٹ کسی بھی CDS پارٹنرسپنٹ کے ساتھ کھولیں تاکہ اپنے فزیکل شیئرز کو بک اینٹری فارم میں منتقل کر سکیں۔ حصص کی اس تبدیلی سے اراکین کو کئی فوائد حاصل ہوں گے، جن میں شامل ہیں: حصص کی محفوظ رکھوالی، حصص کے کھونے، نقصان یا چوری ہونے کا خطرہ نہیں، ڈپلیکٹ حصص جاری کرنے یا قانونی وارثوں کو حصص منتقل کرنے کے رسمی اقدامات سے اجتناب، ڈپلیکٹ حصص یا حصص کی منتقلی کے لیے اسٹیپ ڈیوٹی کی ضرورت نہیں، بونس اور رائٹ ایشو کی تیز رفتار کریڈٹ، الیکٹرانک فارم میں حصص کی آسان خرید و فروخت یا منتقلی۔ لہذا، یہ اراکین کے بہترین مفاد میں ہے کہ وہ شیئر رجسٹرار اور انسفر ایجنٹ، کارپ لنک (پرائیویٹ) لمیٹڈ سے رابطہ کریں تاکہ اپنے فزیکل حصص کو بک اینٹری فارم میں منتقل کیا جاسکے۔

<https://highnoon-labs.com/idownloads/other-information> 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 ایزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ساتھ، بذریعہ ڈاک کمپنی کے رجسٹرڈ ایڈریس (17.5) کلو میٹر، ملتان روڈ، لاہور) پر یا ای میل (investor.relations@highnoon.com.pk) کے ذریعے اجلاس کے چیپرمین کو AGM سے ایک دن قبل، یعنی 29 اپریل 2026 شام 05:00 بجے سے قبل موصول ہو جائے۔ مقررہ وقت/تاریخ کے بعد موصول ہونے والا پوسٹل بیلٹ ووٹنگ کے لیے قابل قبول نہیں ہوگا۔ بیلٹ پیپر پر موجود دستخط CNIC پر موجود دستخط سے مطابقت رکھنے چاہئیں۔

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 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۔

اراکین کو سالانہ جانچ شدہ مالیاتی گوشواراجات اور سالانہ عام اجلاس کے نوٹس کی ترسیل:

کمپنیز ایکٹ 2017 کی سیکشن 223 کے مطابق اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مورخہ 21 مارچ 2023 کی نوٹیفیکیشن نمبر 389 (1) 2023 ایس آر او نمبر کے تحت، کمپنی نے 29 اپریل 2024 کو منعقدہ سالانہ عام اجلاس میں اراکین کی منظوری حاصل کر لی ہے کہ سالانہ رپورٹ سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے بھیجے کے بجائے کیو آر کوڈ اور ویب لنک کے ذریعے فراہم کی جائے۔

مزید برآں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مورخہ 17 مارچ 2025 کی نوٹیفیکیشن نمبر S.R.O. 452(1)/2025 کے مطابق، کمپنی عام اجلاس کا نوٹس سالانہ جانچ شدہ مالیاتی گوشواراجات کے ساتھ اراکین کو الیکٹرانک میل کے ذریعے بھی فراہم کرے گی، بشرطیکہ رکن نے کمپنی کو اپنا درست ای میل ایڈریس فراہم کیا ہو، خواہ اس مقصد کے لیے الگ سے رضامندی حاصل کی گئی ہو یا نہیں۔

اراکین کو ترغیب دی جاتی ہے کہ وہ اپنے ای میل ایڈریس اور دیگر رابطہ معلومات کو بروقت اپ ڈیٹ رکھیں۔ وہ اراکین جو فزیکل شیئرز رکھتے ہیں، سے گزارش ہے کہ وہ اپنا ای میل ایڈریس کمپنی کے شیئر رجسٹرار اور ٹرانسفر ایجنٹ، کارپ لنک (پرائیویٹ) لمیٹڈ کو فراہم کریں۔ جبکہ وہ اراکین جن کے شیئرز الیکٹرانک صورت میں ہیں، وہ اپنی متعلقہ معلومات اپنے اسٹاک بروکرز یا سنٹرل ڈیپازٹری کمپنی (سی ڈی سی) کو فراہم کریں۔

31 دسمبر 2025 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ درج ذیل کیو آر کوڈ کے ذریعے دستیاب ہے:



الیکٹرانک ڈیوڈنڈ مینڈیٹ اور شناختی کارڈ:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ ایس آر او نمبر 1145 (i) 2017 اور کمپنیز ایکٹ 2017 کے سیکشن 242 کے مطابق، یہ لازمی ہے کہ تمام نقد ڈیوڈنڈز الیکٹرانک طریقے سے ادا کیے جائیں، یعنی ڈیوڈنڈ کی رقم براہ راست حصص دار کے نامزد بینک اکاؤنٹ میں جمع کی جائے۔ وہ اراکین جنہوں نے ابھی تک اپنے بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں، انہیں دوبارہ درخواست کی جاتی ہے کہ وہ بینک کا نام، برانچ کا نام اور پتہ، اکاؤنٹ کا عنوان، اور IBAN نمبر کے ساتھ اپنا درست CNIC بھی جمع کروائیں۔ CDC کے اراکین سے گزارش ہے کہ وہ یقینی بنائیں کہ ان کے بینک اکاؤنٹ کی تفصیلات اپنے متعلقہ پارٹنیشنرز کے ساتھ ایڈیٹ ہیں، جبکہ فزیکل اراکین اپنی تفصیلات کمپنی یا ہمارے سینئر رجسٹرار اور ٹرانسفر ایجنٹ کارپ لنک (پرائیویٹ) لمیٹڈ کو بھیجیں، جس میں کمپنی کا نام اور فونیو نمبر ذکر کیا گیا ہو۔

ای ووٹنگ کیلئے طریقہ کار:

کمپنیز (پوسٹل 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 کاروباری امور 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 نمبر/ای میل ایڈریس کمپنی کے ممبر رجسٹر میں 22 اپریل 2026 کے کاروباری اوقات کے اختتام تک موجود ہوں گے۔ یہ تفصیلات کارپ لنک (پرائیویٹ) لمیٹڈ، جو ای ووٹنگ سروس فراہم کنندہ ادارہ ہے، کی جانب سے فراہم 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 27 اپریل 2026 کو صبح 09:00 بجے سے لے کر 29 اپریل 2026 کو شام 05:00 بجے تک آن لائن ووٹ کاسٹ کر سکیں گے۔ ووٹنگ 29 اپریل 2026 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۔

بیلٹ پیپر کے ذریعے ووٹنگ کے عمل کا طریقہ کار:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹیفیکیشن نمبر 451 (1) 2025 مورخہ 13 مارچ 2025 کے مطابق، کمپنی کے ممبرز صرف خاص امور کے سلسلے میں اپنے ووٹ ڈاک کے ذریعے یا ای ووٹنگ کے ذریعے دے سکتے ہیں۔ اس کے مطابق، ممبرز کو ای ووٹنگ اور ڈاک کے ذریعے ووٹ دینے کی سہولت فراہم کی جائے گی تا کہ وہ خاص امور کے سلسلے میں اپنے ووٹ دے سکیں، اور یہ سہولت کمپنیز (پوسٹل بیلٹ) ریگولیشن 2018 میں بیان کردہ طریقہ کار اور شرائط کے مطابق ہوگی۔

ممبران متبادل طور پر پوسٹل 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

شمار نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	حصص دار کا نام	شناختی کارڈ نمبر	حصص کی تعداد	موبائل نمبر	ای میل ایڈریس

دستخط شیئرز ہولڈرز:

واٹس اپ	ای میل
0344-4445334	investor.relations@highnoon.com.pk

- درخواست موصول ہونے کے بعد، ویڈیو لنک کے ذریعے اجلاس میں شرکت کے لئے لاگ ان کی تفصیلات متعلقہ اراکین کو ان کے فراہم کردہ ای میل یا واٹس ایپ نمبر پر ارسال کر دی جائے گی۔ اراکین اجلاس کے ایجنڈا سے متعلق اپنی رائے یا اور تجاویز بھی مذکورہ بالا ذرائع سے ارسال کر سکتے ہیں۔
- 3. **AGM میں شرکت اور پراکسی کی تقرری:**

- **اجلاس میں شرکت کے لیے ہدایات:**
- انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں موجود ہوں اور جن کی اندراجی تفصیلات قواعد و ضوابط کے مطابق جمع کرائی گئی ہوں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لیے اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کریں گے۔
- وہ اراکین جو سنٹرل ڈپازٹری کمپنی میں رجسٹرڈ ہیں، ان سے بھی گزارش ہے کہ اجلاس میں شرکت کے وقت اپنی تفصیلات، شناختی نمبر اور سنٹرل ڈپازٹری سسٹم میں اپنے اکاؤنٹ کا نمبر ساتھ لائیں۔

- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمعہ نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی کو جمع کرانا ہوگا۔
- سنٹرل ڈپازٹری کمپنی کے اکاؤنٹ ہولڈر کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ سرکلر نمبر 01 مورخہ 26 جنوری 2000 میں دی گئی ہدایات پر بھی عمل کرنا ہوگا۔

پراکسی کی تقرری کیلئے ہدایات

- انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں موجود ہوں اور جن کی اندراجی تفصیلات قواعد و ضوابط کے مطابق جمع کرائی گئی ہوں، وہ مذکورہ بالا تقاضوں کے مطابق پراکسی کا فارم جمع کریں گے۔

فولیو/سی ڈی سی اکاؤنٹ نمبر	پرنسپل شیئر ہولڈر/جو اینٹ ہولڈرز کا نام	شیئر ہولڈنگ کا تناسب	شناختی کارڈ نمبر (کاپی منسلک)	دستخط

اطلاع برائے سالانہ اجلاس عام

دیگر امور

6. چیئرمین کی اجازت سے کسی بھی دیگر معاملے پر تبادلہ خیال کرنا۔

مذکورہ نوٹس کے ہمراہ ایک اسٹیٹمنٹ آف میٹریل فیکٹ کا بیان 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

بحکم بورڈ
باقصرین
سینئر جنرل کونسل اینڈ کمپنی سیکریٹری

لاہور
09 اپریل 2026ء

نوٹس:

شیئر ٹرانسفر بکس کی بندش:

1. منافع کی حصص منقسم کی کتابیں 23 اپریل 2026 سے 30 اپریل 2026 تک (دونوں دن شامل) بند رہیں گی۔ جو ٹرانسفر ہمارے شیئر رجسٹرار، اور ٹرانسفر ایجنٹ، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1K کمرشل، ماڈل ٹاؤن، لاہور کے دفتر میں 22 اپریل 2026 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. سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر نمبر 4 مورخہ 15 فروری 2021 اور سرکلر نمبر 6 مورخہ 03 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ ممبرز کو سالانہ عام اجلاس میں ذاتی شرکت کے علاوہ ویڈیولنک کے ذریعے شرکت کی سہولت بھی فراہم کریں۔

اراکین یا ان کے نامزد نمائندے جو ویڈیولنک کے ذریعے سالانہ عام اجلاس (AGM) میں شرکت کرنا چاہتے ہوں، وہ اس مقصد کے لیے اسمارٹ فون، کمپیوٹر، ٹیبلیٹ یا دیگر الیکٹرانک آلات استعمال کر سکتے ہیں۔ ایسے اراکین یا ان کے نامزد نمائندگان جو ویڈیولنک کے ذریعے اجلاس میں شرکت کے خواہشمند ہوں ان سے گزارش ہے کہ وہ اجلاس کے مقررہ وقت سے کم از کم اڑتالیس (48) گھنٹے قبل نیچے فراہم کردہ ای میل ایڈریس یا واٹس ایپ نمبر پر رجسٹریشن کروائیں اور اس مدت کے اندر درج ذیل فارم میں مطلوبہ معلومات فراہم کریں۔

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ہائی نون لیبارٹریز لمیٹڈ کے ممبران کا 43 واں سالانہ اجلاس عام بروز جمعرات، 30 اپریل 2026 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. منگل، 29 اپریل 2025 کو منعقد ہونے والے گزشتہ سالانہ 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 2025، کو موصول کرنا، غور کرنا اور اپنانا۔

3. بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، سال 31 دسمبر 2025 کے لیے فی شیئر 50 روپے یعنی 500 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 2026 کیلئے ڈی 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 2025 کو ختم ہونے والے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین پر غور کرنا، اس کی توثیق اور منظوری دینا اور بورڈ آف ڈائریکٹرز کو اختیار دیا جائے کہ وہ متعلقہ فریقین کے ساتھ ہونے والے تمام لین دین کی منظوری دیں، جو 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے دوران کیے گئے ہوں یا کیے جانے والے ہوں، اور اگلی سالانہ اجلاس عام تک اور اگر مناسب سمجھا جائے تو قراردادوں کو بطور خصوصی وپیش کی گئی قراردادوں کو، ترمیم کے ساتھ یا بغیر ترمیم کے، منظور کیا جائے۔

”قرار پایا جاتا ہے کہ کمپنی کی جانب سے 31 دسمبر 2025 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کی گئے لین دین، جیسا کہ 31 دسمبر 2025 کو ختم ہونے والے سال کے مالی گوشواروں میں ظاہر کیا گیا ہے، اس کی توثیق اور منظوری دی جاتی ہے۔“

مزید قرار پایا جاتا ہے کہ کمپنی کا بورڈ آف ڈائریکٹرز اس امر کا مجاز ہوگا کہ وہ 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کی جانے والی لین دین کو انجام دے اور اس سلسلے میں تمام ضروری اقدامات کرے، جن میں، کمپنی کی جانب سے کسی بھی خریداری آرڈر یا دستاویز پر دستخط یا اس پر عملدرآمد کرنا شامل ہے، اور اس مقصد کے لیے کمپنی کے کسی بھی دیگر افسر کو مجاز ٹھہرا سکے تاکہ اس قرارداد پر عملدرآمد کیا جاسکے۔

مزید قرار پایا جاتا ہے کہ مذکورہ لین دین کو اگلے سالانہ عام اجلاس میں حصص یافتگان کے سامنے توثیق اور منظوری کے لیے پیش کیا جائے گا۔“

		مزید قرار پایا جاتا ہے کہ کمپنی کا بورڈ آف ڈائریکٹرز اس امر کا مجاز ہوگا کہ وہ 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کی جانے والی لین دین کو انجام دے اور اس سلسلے میں تمام ضروری اقدامات کرے، جن میں، کمپنی کی جانب سے کسی بھی خریداری آرڈر یا دستاویز پر دستخط یا اس پر عملدرآمد کرنا شامل ہے، اور اس مقصد کے لیے کمپنی کے کسی بھی دیگر افسر کو مجاز ٹھہرا سکے تاکہ اس قرارداد پر عملدرآمد کیا جاسکے۔ مزید قرار پایا جاتا ہے کہ مذکورہ لین دین کو اگلے سالانہ عام اجلاس میں حصص یافتگان کے سامنے توثیق اور منظوری کے لیے پیش کیا جائے گا۔
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شیئر ہولڈر کے دستخط / مجاز کنندہ کے دستخط

(کارپوریٹ ادارے کی صورت میں براہ مہربانی کمپنی کی مہر ثبت کرے)

مقام:

تاریخ:

نوٹس:

1. مکمل طور پر پُر شدہ کیا گیا بذریعہ ڈاک بیلٹ پیپر چیئر مین (جناب طارق واجد، 17.5 کلومیٹر، ملتان روڈ، لاہور) کو ارسال کیا جائے یا ای میل investor_relations@highnoon.com.pk پر ارسال کیا جائے۔
2. موثر شناختی کارڈ، این آئی سی او پی / پاسپورٹ (غیر ملکی کی صورت میں) کی نقل بیلٹ پیپر کے ساتھ منسلک کرنا ضروری ہے۔
3. فرد کی صورت میں، بیلٹ پیپر پر دستخط قومی شناختی کارڈ، این آئی سی او پی / پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط سے مماثل ہونے چاہئیں؛ تاہم، کمپنیز ایکٹ 2017 کی دفعات 138 اور 139 کے مطابق باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ پیپر کے ساتھ مجاز شخص کے شناختی کارڈ کی نقل، بورڈ کی قرارداد / مختار نامہ / اجازت نامہ وغیرہ کی تصدیق شدہ نقول منسلک کرنا لازمی ہوگا۔ غیر ملکی باڈی کارپوریٹ کی صورت میں تمام دستاویزات متعلقہ دائرہ اختیار میں تعینات پاکستان کے قونصل جنرل سے تصدیق شدہ ہونا ضروری ہیں۔
4. پوسٹل بیلٹ فارم 29 اپریل 2026 شام 5:00 بجے تک اجلاس کے چیئر مین کو موصول ہو جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی بیلٹ فارم ووٹنگ کے لیے قابل قبول نہیں ہوگا۔
5. پوسٹل بیلٹ فارم پر دستخط قومی شناختی کارڈ، این آئی سی او پی / پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط سے مطابقت رکھنے چاہئیں۔
6. نامکمل، غیر دستخط شدہ، غلط، خراب، پھٹے ہوئے، مسخ شدہ یا کاٹ کر دوبارہ لکھے ہوئے بیلٹ پیپر مسترد کر دیا جائے گا۔
7. بیلٹ پیپر کمپنی کی ویب سائٹ <https://highnoon-labs.com/downloads/other-information/> پر بھی دستیاب ہے۔ ممبران / شیئر ہولڈر ز ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں۔

بذریعہ ڈاک ووٹنگ کے لیے بیلٹ پیپر

ہائی نون لیبارٹریز لمیٹڈ کے سالانہ عام اجلاس میں رائے شماری کے لیے، جو بروز جمعرات، 30 اپریل 2026 کو کمپنی کے رجسٹرڈ آفس 17.5 کلو میٹر ملتان روڈ، لاہور میں منعقد ہو گا،

چیز مین کانامز کردہ ای میل ایڈریس، جس پر پرشدہ بیلٹ پیپر ارسال کیا جاسکتا ہے: investor.relations@highnoon.com.pk

شیر ہولڈر / مشترکہ شیر ہولڈر کا نام	
شیر ہولڈر کا رجسٹرڈ پتہ	
فولیو نمبر / سی ڈی سی پارٹیسپنٹ / انویسٹر آئی ڈی بمع سب اکاؤنٹ نمبر	
شیرز کی تعداد	
شناختی کارڈ NICOP CNIC / پاسپورٹ نمبر (غیر ملکی کی صورت میں) (موثر کاپی لیں)	
اضافی معلومات اور منسلکات (کارپوریٹ باڈی، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں)	
نامزد دستخط کنندہ کا نام	
نامزد دستخط کنندہ کا شناختی کارڈ، NICOP CNIC / پاسپورٹ نمبر (غیر ملکی کی صورت میں) (موثر کاپی لیں)	
بورڈ آف ڈائریکٹرز کی قرارداد کی مصدقہ نقل / مختار نامہ کی نقل، اوتھ کمشنر سے تصدیق شدہ	

میں/ہم بذریعہ ڈاک بیلٹ درج ذیل قراردادوں کے بارے میں اپنے ووٹ کا استعمال کرتے ہوئے اپنی منظوری یا مخالفت کا اظہار مناسب خانے میں ٹک (✓) کا نشان لگا کر کرتے ہیں

نمبر شمار	قراردادوں کی نوعیت اور تفصیل	ووٹنگ کیلئے عام حصص کی تعداد	میں/ہم قراردادوں کی منظوری دیتے ہیں (FOR)	میں/ہم قراردادوں سے اختلاف کرتے ہیں (خلاف)
1	ایجنڈا نمبر 5 کے مطابق خصوصی قرارداد مالی سال 31 دسمبر 2025 کو ختم ہونے والے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین پر غور کرنا اس کی توثیق اور منظوری دینا اور بورڈ آف ڈائریکٹرز کو اختیار دیا جائے کہ وہ متعلقہ فریقین کے ساتھ ہونے والے تمام لین دین کی منظوری دیں، جو 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے دوران کیے گئے ہوں یا کیے جانے والے ہوں، اور اگلی سالانہ اجلاس عام تک اور اگر مناسب سمجھا جائے تو قراردادوں کو بطور خصوصی و پیش کی گئی قراردادوں کو، ترمیم کے ساتھ یا بغیر ترمیم کے، منظور کیا جائے۔ ”قرارداد پایا جاتا ہے کہ کمپنی کی جانب سے 31 دسمبر 2025 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کیے گئے لین دین، جیسا کہ 31 دسمبر 2025 کو ختم ہونے والے سال کے مالی گوشواروں میں ظاہر کیا گیا ہے، اس کی توثیق اور منظوری دی جاتی ہے۔“			

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 30 اپریل، 2026 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 کے
ریونیوٹکٹ پر دستخط

نوٹس۔

۱۔ یہ پراکسی فارم، جو تمام ضروری تفصیلات کے ساتھ مکمل کیا گیا ہو، مؤثر ہونے کے لیے کمپنی کے رجسٹرڈ دفتر، 17.5 کلومیٹر ملتان روڈ، لاہور میں جمع کروانا لازمی ہے۔ یہ فارم اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے جمع کروایا جائے (اس میں کسی ایسے دن کا کوئی حصہ شامل نہیں کیا جائے گا جو دفتری کام کا دن نہ ہو)۔ پراکسی لازماً کمپنی کا ممبر ہونا چاہیے۔ دستخط کمپنی کے پاس رجسٹرڈ نمونے کے مطابق ہونے چاہئیں۔

۲۔ پراکسی فارم پر دو گواہوں کے دستخط ہونا ضروری ہیں، اور ان کے نام، پتے اور قومی شناختی کارڈ نمبر درج کیے جائیں۔ اصل مالک اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جمع کروانا لازم ہوگا۔ پراکسی (نمائندہ) کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

صحیح ڈاک ٹکٹ چسپاں کریں

کمپنی سیکریٹری
ہائی نون لیبارٹریز لمیٹیڈ
۱۷۰۵ کلومیٹر ملتان روڈ، لاہور۔ ۵۳۷۰۰، پاکستان

کو 'قابل اطمینان' قرار دیا گیا، جس میں حکمت عملی کی نگرانی، مالیاتی انتظام، اور اسٹیک ہولڈرز کے ساتھ ہم آہنگی میں خاص مضبوطی دیکھی گئی۔

پائیداری کی بڑھتی ہوئی اہمیت کو تسلیم کرتے ہوئے، بورڈ نے کارپوریٹ فیصلوں میں ماحولیاتی، سماجی اور گورننس (ESG) کے پہلوؤں کو مزید مربوط کیا۔ اخلاقی رویے، ماحولیاتی اثرات، کام کی جگہ کی حفاظت، تنوع، اور سماجی خدمات کی نگرانی کے لیے رسی گورننس کے طریقہ کار موجود ہیں۔ بورڈ پائیداری کی رپورٹنگ کو مضبوط بنانے اور عملی اقدامات کو ابھرتے ہوئے عالمی معیار کے مطابق ہم آہنگ کرنے کے لیے پرعزم ہے۔ بورڈ آف ڈائریکٹرز کو اجلاس 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 انڈیپنڈنٹ ڈائریکٹرز نے کلیدی فیصلوں میں بھرپور شرکت کی۔

انڈیپنڈنٹ اور نان ایگزیکٹو ڈائریکٹرز نے تعمیری مباحثے کو فروغ دینے، فیصلہ سازی میں آزادی کو یقینی بنانے، اور گورننس کے عمل کی سالمیت کو مضبوط کرنے میں اہم کردار جاری رکھا۔

مستقبل پر ایک نظر

آئندہ کے لیے، دو اساسی کے شعبے سے توقع کی جاتی ہے کہ وہ موافق عوامل سے مستفید ہوگا، جن میں آبادی میں اضافہ، بیماریوں کے بوجھ میں اضافہ، صحت کے حوالے سے شعور میں اضافہ، اور صحت کی سہولیات کے ڈھانچے میں وسعت شامل ہیں۔ اسی دوران، بدلتے ہوئے ضابطہ جاتی فریم ورک اور لاگت کے دباؤ منظم عمل درآمد اور حکمت عملی میں چلک کا تقاضا کریں گے۔

ہائی نون کی مستقبل کی حکمت عملی میں ترجیحات درج ذیل ہیں:

- مضبوط اور لگاتار اختراعی (انوویشن) کارکردگی کو یقینی بنانا،
- ڈیجیٹل صلاحیتوں اور ڈیٹا اینالیٹکس کو فروغ دینا،
- پیداواری مہارت اور معیار کے نظام کو مزید گہرا کرنا، اور
- صحت کے نظام میں ادارہ جاتی شرکت داریوں کو مضبوط بنانا۔

کمپنی اس بات کے لیے پرعزم ہے کہ منافع بخش ترقی کو فروغ دے جو پائیدار، اخلاقی، اور قومی صحت کی ترجیحات کے مطابق ہو۔

اظہار تشکر

میں اپنے ساتھی ڈائریکٹرز کا ان کی رہنمائی، ایمانداری، اور مضبوط گورننس اور طویل مدتی ویلیو کی تخلیق کے لیے اجتماعی عزم پر شکریہ ادا کرتا ہوں۔ میں اس بات کو بھی تسلیم کرتا ہوں کہ ریگولیٹرز اور پالیسی سازوں نے ایک شفاف اور پائیدار دو اساسی کے منظر نامے کی تشکیل میں تعمیری کردار ادا کیا ہے۔

سب سے بڑھ کر، میں ہائی نون کے ملازمین کے غیر معمولی تعاون کو سراہتا ہوں، جن کی لگن، پیشہ ورانہ مہارت، اور مضبوط عزم ہماری کامیابی کی وجہ ہیں۔ ان کا عزم ہمیں صحت مند کمیونٹیز کی تعمیر اور زندگیوں کو بہتر بنانے کی اپنی مشترکہ سوچ کو بڑھانے میں اعتماد عطا کرتا ہے۔

بورڈ کی طرف سے

Farhan

طارق واجد
چیئرمین

06 اپریل 2026

لاہور

چیرمین کا جائزہ

ذمہ داری کے ساتھ کل کی تشکیل

سال 2025 پاکستان کی معیشت کے لیے ایک بامعنی تبدیلی کا سال ثابت ہوا، جب ملک طویل عدم استحکام سے بندرتج استحکام کی جانب گامزن ہوا۔ شرح مہنگائی میں بہتری، زرمبادلہ کی شرح میں استحکام، اور مالیاتی حالات میں بہتری نے کاروباروں کے لیے کسی حد تک پیش بینی کی صلاحیت کو بحال کیا۔ اگرچہ چیلنجز بدستور موجود رہے، خصوصاً مالیاتی نظم و ضبط اور ریگولیٹری پیچیدگیوں کے حوالے سے، تاہم مجموعی ماحول طویل مدتی منصوبہ بندی اور سرمایہ کاری کے لیے زیادہ سازگار ہو گیا۔

اس بدلتے ہوئے منظر نامے میں، ہائی نون نے ایک بار پھر استقامت، واضح حکمت عملی اور عملی صلاحیت کا مظاہرہ کیا۔ کمپنی نے سخت مالیاتی نظم و ضبط اور محتاط حکمت عملی کو برقرار رکھتے ہوئے مضبوط مالی کارکردگی پیش کی۔ ہائی نون نے 31.28% ROE حاصل کیا، جس نے اسے صنعت کے بہترین کارکردگی دکھانے والے اسٹاکس میں شامل کر دیا۔ یہ کامیابی ایک منظم آپریٹنگ ماڈل اور ویلیو چین کے ہر مرحلے پر مضبوط عملدرآمد کی بدولت ممکن ہوئی۔

مزید اہم بات یہ ہے کہ ہائی نون نے تجارتی کامیابی کے ساتھ ساتھ سستی اور قابل رسائی صحت کی سہولیات کو فروغ دینے کے اپنے وسیع تر مقصد میں توازن برقرار رکھا۔ رواں سال کمپنی نے نئی مصنوعات کے ساتھ اپنے پورٹ فولیو کو وسعت دی، منظم تعلیمی اور ڈیجیٹل پلٹ فارمز کے ذریعے طبی ماہرین کے ساتھ روابط کو مضبوط بنایا، اور ملازمین کی ترقی اور قیادت صلاحیتوں میں عملی سرمایہ کاری کا سلسلہ جاری رکھا۔

سپلائی چین کی مضبوطی، عملی کارکردگی، اور ڈیجیٹل انضمام کے لیے کیے گئے عملی اقدامات نے منافع کے مارجن کی بہتری میں نمایاں کردار ادا کیا، جس کے نتیجے میں مجموعی مارجن بڑھ کر 54.78% ہو گیا، باوجود اس کے کہ لاگت اور ضابطہ جاتی دباؤ برقرار رہے۔ یہ نتائج ہائی نون کی اس صلاحیت کی عکاسی کرتے ہیں کہ وہ مسلسل کارکردگی فراہم کرتے ہوئے سستی اور قابل رسائی صحت کی سہولیات کو فروغ دینے کے اپنے مقصد کے ساتھ ہم آہنگ رہتی ہے۔

ہماری کارکردگی کی ایک نمایاں خصوصیت حجم پر مبنی ترقی کا ماڈل رہا، خاص طور پر علاج دائمی امراض کے شعبے میں۔ آزاد صنعتی تجزیات نے ہماری اس حکمت عملی کی توثیق کی ہے کہ قلیل مدتی قیمتوں میں اضافے کے بجائے مریضوں تک رسائی اور علاج کی اہمیت کو ترجیح دی جائے۔ یہ ماڈل نہ صرف مارکیٹ کے پائیدار استحکام کو فروغ دیتا ہے بلکہ طویل مدتی برانڈ ویلیو اور ادارہ جاتی اعتماد کو بھی مضبوط بناتا ہے۔

سال کے دوران، ہائی نون نے اپنے مصنوعات کے پورٹ فولیو میں مزید تنوع پیدا کیا اور منظم تعلیمی پلٹ فارمز اور ڈیجیٹل ذرائع سے طبی برادری کے ساتھ روابط کو مزید مضبوط بنایا۔ اسی دوران، کمپنی نے ملازمین کی ترقی، قیادت صلاحیتوں کی تیاری، اور ادارے کی ثقافت میں سرمایہ کاری کا سلسلہ جاری رکھا یہ تسلیم کرتے ہوئے کہ انسانی سرمایہ کمپنی کی طویل مدتی مسابقتی برتری کے لیے مرکزی حیثیت رکھتا ہے۔

ایک نئی گرین فیلڈ دواسازی کی پیداواری سہولت قائد اعظم ہرنس پارک، شیخوپورہ میں قائم کی گئی ہے، جس کا مقصد ملکی سپلائی اور برآمدی صلاحیتوں کو عالمی معیار کے مطابق مضبوط بنانا ہے۔

عملی طور پر، سپلائی چین کی مضبوطی کو بڑھانے، کارکردگی میں بہتری لانے، اور تجارتی اور معاون افعال میں ڈیجیٹل انضمام کو فروغ دینے میں پیش رفت کی۔ یہ اقدامات ایک وسیع تر تبدیلیی ایجنڈے کا حصہ ہیں، جس کا مقصد ایک زیادہ چکدار، ڈیٹا پر مبنی، اور مستقبل کے لیے تیار ادارہ تعمیر کرنا ہے۔

بورڈ کی کارکردگی اور گورننس

بورڈ آف ڈائریکٹرز کمپنی کی حکمت عملی کی سمت کی تشکیل، خطرات سے نمٹنے کی نگرانی، اور مضبوط گورننس کے معیار کو یقینی بنانے میں لگاتار مصروف رہا۔ پورے سال کے دوران، بورڈ نے شفافیت، جوابدہی، اور طویل مدتی ویلیو کی تخلیق پر توجہ برقرار رکھی۔

لسنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق، بورڈ کی سالانہ کارکردگی کا جائزہ سال ختم ہونے تک 31 دسمبر 2025 کے لیے لیا گیا۔ بورڈ کی مجموعی کارکردگی

ڈائریکٹر رپورٹ

ذیلی کمپنی

کیوریکسا ہیلتھ (پرائیویٹ) لمیٹڈ۔

کمپنی اور اسکی ذیلی کمپنی کی مجموعی گوشواروں کے ساتھ ایک علیحدہ ڈائریکٹر رپورٹ پیش کی گئی ہے۔

اس رپورٹ کے بعد واقعات

رپورٹ کے شائع ہونے تک کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلیاں نہیں ہوئیں ہیں

صنعت کا جائزہ اور مستقبل پر ایک نظر

پاکستان کے میکر واکٹنا کم منظر نامے میں محتاط امید کی عکاسی ہوتی ہے، جس کی بنیاد جاری مالیاتی توازن اور خارجی شعبے کے مضبوط ہوتے ہوئے اشارے ہیں۔ اگرچہ ضابطہ جاتی پیچیدگی ایک بنیادی چیلنج بنی ہوئی ہے، ہائی نون عملی شاندار کارکردگی، اسٹریٹجک تنوع، اور منظم عمل درآمد کے ذریعے طویل مدتی ترقی کو برقرار رکھنے کے لیے کوشاں ہے۔

کمپنی پائیدار منافع فراہم کرنے کے ساتھ ساتھ پاکستان کے صحت کے شعبے کی ترقی میں با معنی کردار ادا کرنے کے لیے پرعزم ہے۔

گزشتہ دہائی کے دوران، ہائی نون نے تقریباً 23% کی مضبوط برآمدی سالانہ مرکب شرح نمو (CAGR) حاصل کی، جو صنعت کی اوسط برآمدی نمو تقریباً 9.7% سے نمایاں طور پر زیادہ ہے۔ یہ کارکردگی کمپنی کی اعلیٰ سطح کی عمل درآمد کی صلاحیتوں اور بین الاقوامی مارکیٹ میں رسائی کی حکمت عملی کی موثریت کو اجاگر کرتی ہے۔

ہائی نون کا برآمدی دائرہ کار متنوع مارکیٹوں تک پھیلا ہوا ہے، جس میں، متحدہ عرب امارات، فرانس، کینیا، عراق، کمبوڈیا، تنزانیہ، سوڈان، آذربائیجان، کرغزستان، اور گھانا سمیت دیگر علاقائی علاقے شامل ہیں۔ اس بڑھتی ہوئی جغرافیائی تنوع سے نہ صرف ملکی مارکیٹ پر انحصار کم ہوتا ہے بلکہ کمپنی کو ابھرتی ہوئی اور سرحدی معیشتوں میں اعلیٰ معیار کی جینیئر ایک دوائیوں کی بڑھتی ہوئی طلب سے فائدہ اٹھانے کے مواقع بھی حاصل ہوتے ہیں۔

اظہار تشکر

بورڈ ہائی نون کے ملازمین کی لگن، پیشہ ورانہ مہارت، اور ثابت قدمی قدر کی نگاہ سے دیکھتے ہیں۔ بورڈ اپنے شیئر ہولڈرز، صارفین، شراکت داروں، اور حکومتی اداروں کا بھی ان کے مستقل اعتماد اور تعاون کے لیے شکریہ ادا کرتے ہیں۔

اجازت نامہ

کمپنیز ایکٹ 2017 کے سیکشن (5) 227 کی ضروریات کی تعمیل کرتے ہوئے، چیف ایگزیکٹو آفیسر اور ایک ڈائریکٹر کو بورڈ کی جانب سے ڈائریکٹر رپورٹ پر دستخط کرنے کا اختیار دیا ہے۔

مخائب بورڈ آف ڈائریکٹرز



توفیق احمد خان

ڈائریکٹر



ڈاکٹر عدیل عباس حیدری

چیف ایگزیکٹو آفیسر

لاہور

06 اپریل 2026

- 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 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 ازالہ مہیا کرتی ہے۔ شیئرز رجسٹر اس سرمایہ کاروں کی شکایات کے ازالے کا ذمہ دار ہوتا ہے۔

ادارہ جاتی پائیداری رپورٹ

کمپنی نے اپنی پہلی پائیداری رپورٹ سال کے دوران شائع کی، جو اس کے حکمت عملی اور عملیاتی امور میں ماحولیاتی، سماجی اور گورننس (ESG) کے پہلوؤں کو مرکوز کرنے کے عزم کو مزید مضبوط کرتی ہے۔ جنوری 2025 میں بورڈ سطح پر پائیداری کمیٹی قائم کی گئی تاکہ حکمت عملی کی نگرانی فراہم کی جاسکے۔ یہ رپورٹ SECP کے رہنما اصولوں کے مطابق تیار کی گئی ہے اور IFRS S1 اور IFRS S2 فریم ورکس کے ساتھ ہم آہنگ ہے۔ یہ اقدام کمپنی کے پائیدار ترقی اور طویل مدتی اسٹیک ہولڈرز کی ویلیو کی تخلیق پر مرکوز ہونے کی عکاسی کرتا ہے۔

حکمت عملی برائے تنوع، مساوات اور شمولیت

کمپنی اس بات کے لیے پرعزم ہے کہ ایک ایسا ثقافتی ماحول فروغ دیا جائے جہاں تنوع، مساوات، اور شمولیت ہمارے اقدار اور کاروباری طریقوں کا بنیادی حصہ ہوں۔ ہم ایسا ماحول تخلیق کرنے کے لیے کوشاں ہیں جو اختلافات کا احترام کرے، مختلف نقطہ نظر کو اپنائے، اور تمام ملازمین کے لیے مساوی مواقع فراہم کرے۔ مسلسل اقدامات اور جامع پالیسیوں کے ذریعے، ہمارا مقصد اپنی تنظیمی ثقافت کو مضبوط بنانا، اپنے لوگوں کو بااختیار بنانا، اور ان کمیونٹیز میں مثبت کردار ادا کرنا ہے جن کی ہم خدمت کرتے ہیں۔

صحت، حفاظت اور ماحولیات

کمپنی اپنے آپ کو ماحولیاتی شعور اور سماجی ذمہ داری کے حامل کارپوریٹ شہری کے طور پر مکمل طور پر پرعزم رکھتی ہے۔ تمام کاروباری شعبوں میں صحت، حفاظت اور ماحولیات کی امسال کی کارکردگی شاندار رہی، جس کا سہرا پلانٹ ٹیموں کی مضبوط لگن کو جاتا ہے، جس نے قائم شدہ صحت، حفاظت اور ماحولیات کے معیار کی مکمل تعمیل کو یقینی بنایا۔ جامع نگرانی اور سخت ازخود آڈٹ کے فریم ورک کو بنیادی توجہ کے طور پر برقرار رکھا گیا، جس کی تصدیق داخلی اور خارجی آڈٹس نے کی۔ اہم اقدامات میں مینجمنٹ سیفٹی آڈٹس، ایمرجنسی رسپانس پروگرامز، پلانٹ کی قابل اعتماد کارکردگی میں اضافہ، پیشہ ورانہ صحت اور صنعتی صفائی کے جائزے، اور حسب ضرورت ہاؤس کیپنگ آڈٹس شامل ہیں، جو ایک صحت مند اور بہترین ماحولیاتی ثقافت کے فروغ کا باعث ہے۔

ڈائریکٹرز رپورٹ

بورڈ اندرونی کنٹرولز کے مؤثر ہونے اور موزونیت کا جائزہ لینے کے لیے آڈٹ کمیٹی کے ذریعے اندرونی آڈٹ کی 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 منیجمنٹ (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۔

بورڈ کسی بھی ڈائریکٹر کے معاوضے کے شفاف تعین کیلئے درج ذیل اصولوں کی پابندی کرتا ہے:

- کمپنی کی کارکردگی میں بہتری کو فروغ دینے کا باعث ہو۔
- 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 لگے۔
- بورڈ ایچ آر اینڈ ریمونریشن کمیٹی کی سفارشات پر مناسب طور پر کرے۔
- 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 48 کے تحت دی گئی ہیں، جس کا حوالہ صفحہ 224 پر موجود ہے۔

چیئرمین اور چیف ایگزیکٹو آفیسر:

بہتر گورننس کو یقینی بنانے کیلئے بورڈ آف ڈائریکٹرز کے چیئرمین 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 درمیان تقابل کو جانچنے میں معاونت فراہم کرتا 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 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،
- اسٹریٹجک منصوبہ بندی؛

- 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۔
 - ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ کمپنی اپنی سرگرمیاں جاری رکھنے کی صلاحیت رکھتی ہے۔ کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی انحراف نہیں ہوا ہے۔
 - کمپنی کے آپریٹنگ نتائج میں گزشتہ سال سے نمایاں انحراف کی وضاحت کی گئی ہے۔
 - کوئی بھی سرکاری ٹیکسز، ڈیوٹیز، لیویز اور اخراجات کمپنی اگر کوئی ہیں تو، مالی بیانات میں واضح طور پر ظاہر کیا گیا 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 منظوری 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	ڈاکٹر امان اللہ خان	خریدے	100
2	ڈاکٹر امان اللہ خان	خریدے	400

حصص کی ملکیتی معلومات

پاکستان اسٹاک ایکسچینج ریگولیشنز کے مطابق، 31 دسمبر 2025 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 xx پر دیا گیا ہے۔

کریڈٹ ریٹنگز

24 جنوری 2025 کو، ہائی نون کو طویل مدتی درجہ بندی A+ اور قلیل مدتی درجہ بندی A1 تفویض کی گئی۔ یہ درجہ بندیاں کمپنی کی مضبوط کاروباری پروفائل کی عکاسی کرتی ہیں، جو متنوع مصنوعات کے پورٹ فولیو اور مالی ذمہ داریوں کی بروقت ادائیگی کی اعلیٰ صلاحیت کی بدولت کم کریڈٹ رسک کے حامل ہونے پر مبنی ہے۔

پروویڈنٹ فنڈ میں سرمایہ کاری کی ویلیو سے متعلق بیان

31 دسمبر 2025 تک ہائی نون لیبارٹریز لمیٹڈ کے ملازمین کے پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 695.64 ملین 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 منظم 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 رسک مینجمنٹ، کاروباری عمل میں قدر بڑھانے، اور مشترکہ ہم آہنگی بڑھانے میں معاون ثابت ہو رہا ہے۔

ڈائریکٹرز رپورٹ

متعلقہ فریقین سے لین دین

رواں سال کے دوران، کمپنی نے اپنے متعلقہ فریقین کے ساتھ لین دین کیا۔ اس لین دین کی تفصیلات سالانہ رپورٹ میں انفرادی مالیاتی گوشواروں کے نوٹ 48 (صفحات 242 تا 244) میں درج ہیں۔

آڈیٹران

بی ڈی او ابراہیم اینڈ کو. چارٹرڈ اکاؤنٹنٹس نے 31 دسمبر 2025 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 مالی سال 2026 کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ مقرر کرنے کی منظوری دے دی ہے اور اس کی توثیق کے لیے اسے سالانہ جنرل اجلاس میں شہرہ ہولڈرز کے سامنے پیش کرنے کی سفارش کی ہے۔ یہ فیصلہ کمپنی کے اعلیٰ ترین طرز حکمرانی کے معیارات کو برقرار رکھنے کے عزم کے عین مطابق ہے۔ گزشتہ سال کے آڈیٹرز کے ساتھ تسلسل برقرار رکھنے سے آڈٹ کے طریقہ کار، داخلی حکمرانی، اور رسک مینجمنٹ کے نظام کو مزید مضبوط بنانے کی توقع ہے۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کے اجلاس

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۔ اجلاسوں میں اراکین کی حاضری کا خلاصہ درج ذیل ہے:

بورڈ ممبر کا نام	ملاقاتوں میں حاضری کی تعداد
طارق واجد	3
ڈاکٹر عدیل عباس حیدری	6
توصیف احمد خان	5
توفیق احمد خان	6
توقیر احمد خان	6
تہمینہ سعید چوہدری	6
ڈاکٹر امان اللہ خان	5
* رومیش ایلگزینڈر ایڈولف ملگڈا ایل پاپا	1

سال کے دوران ڈاکٹر امان اللہ خان کو، ڈائریکٹر مسٹر رومیش ایلگزینڈر ایڈولف ملگڈا ایل پاپا کی جگہ بطور ڈائریکٹر مقرر کیا گیا۔

بورڈ میٹنگز میں شرکت نہ کرنے والے ممبران کو عدم حاضری کی باضابطہ اجازت دی گئی۔

لسٹڈ کمپنیوں کے (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

جیسا کہ لسٹڈ 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 دیگر امور کے نتائج، کیش فلو، اور اکیویٹی میں تبدیلی کو بیان کرتے ہیں۔
- کمپنی کے حسابات کے کھاتے باضابطہ طور پر بنائے جا رہے ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا توازن کیساتھ اطلاق 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۔

دواسازی کے شعبے کو درپیش مستقل مسائل، جیسے لاگت میں غیر یقینی صورتحال اور ضابطہ جاتی پابندیوں، کے باوجود، ہائی نون نے عملیاتی کارکردگی کو مؤثر بنایا، سپلائی چین کی مضبوطی کو بڑھایا، اور مضبوط مارکیٹ انٹیلیجنس کی صلاحیتیں برقرار رکھیں۔ اس سے کمپنی نہ صرف ترقی کو برقرار رکھنے میں کامیاب رہی بلکہ منافع میں بھی نمایاں اضافہ کیا، جس سے منافع کا فروخت سے تناسب 15.97% تک پہنچا اور گزشتہ سال کے مقابلے میں ٹیکس کے بعد منافع میں 26.61% اضافہ حاصل ہوا۔

ہائی نون اب بھی اپنے طویل المدتی فلسفہ ”بلند مقام پر پہنچنے کی کوشش کرنا اور کامیابی کے بعد مزید بلندی کی جانب گامزن رہنے“ کو عملی طور پر برقرار رکھے ہوئے ہے۔ کارکردگی کو ایک منظم فریم ورک کے ذریعے مسلسل مانٹر کیا جاتا ہے، جو ہم منصب کمپنیوں کے معیار، علاقائی کے شعبوں کے تجزیے، صنعت میں نمو کے رجحانات، اور ضابطہ جاتی تبدیلیوں کے اثرات کو شامل کرتا ہے۔ اسٹریٹجک اہداف کا باقاعدگی سے جائزہ لیا جاتا ہے، جس سے بروقت اصلاحی اقدامات ممکن ہوتے ہیں اور کمپنی کی طویل المدتی ترقی کے اہداف اور شیئر ہولڈرز کے لیے ویلیو کی تخلیق کے ساتھ مستقل ہم آہنگی کو یقینی بنایا جاتا ہے۔

اعزازات

مسلسل تیسرے سال، ہائی نون کو یہ اعزاز حاصل ہوا کہ اسے فارما ایکسپورٹ ایوارڈ سے نوازا گیا، جو پاکستان کی فارماسیوٹیکل برآمدات کو عالمی سطح پر مضبوط بنانے میں اس کے نمایاں کردار کے اعتراف میں دیا گیا۔ اسی طرح ہائی نون وژن ایوارڈ مرحوم جاوید طارق خان کو بعد از وفات ان کی بصیرت افروز قیادت، جدت کے لیے غیر متزلزل عزم، اور بہتر صحت کی سہولیات کے ذریعے زندگیوں کو بہتر بنانے کے مشن کے اعتراف میں پیش کیا گیا۔ مزید برآں، پلائینم اسپانسرشپ ایوارڈ ڈائینوں کو اس نمایاں صنعتی تقریب کے مرکزی سرپرست کے طور پر عطا کیا گیا۔

ہائی نون لیبارٹریز لمیٹڈ نے سال کے دوران مضبوط مارکیٹ قیادت اور عملیاتی مضبوطی کا مظاہرہ جاری رکھا۔ کمپنی کو اعلیٰ MAP ایوارڈ برائے کارپوریٹ ایکیسلسنس سے نوازا گیا، جو اعلیٰ معیار کی کارپوریٹ گورننس، شفافیت، اور پائیدار کاروباری طریقوں کے لیے اس کے عزم کی تصدیق کرتا ہے۔

فی شیئر آمدنی

آڈٹ شدہ گوشواروں کے مطابق، 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بنیادی فی شیئر آمدنی (EPS) روپے 77.75 رہی، جو کہ 2024 میں 61.41 روپے تھی۔

ڈیویڈنڈ کا اعلان

بورڈ کو یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ 31 دسمبر 2025 کو ختم ہونے والے مالی سال کے لیے 500% (2024: 400%) حتمی نقد ڈیویڈنڈ، یعنی فی شیئر 50 روپے (2024: 40 روپے فی شیئر) دیا جائے گا، جو کہ 30 اپریل 2026 کو ہونے والی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

قومی خزانے میں حصہ

آپ کی کمپنی نے مختلف حکومتی محصولات، کسٹم ڈیویژن، ڈبلیو پی پی ایف، سی آر ایف، ای او بی آئی سوشل سیکیورٹی اور عطیات سمیت لیویز کی مد میں حکومت کو 3,236 ملین روپے (2024: 2,401 ملین) ادا کئے ہیں۔

کمپنی کی سماجی ذمہ داری

ہائی نون پائیدار ترقی اور ذمہ دارانہ کاروباری رویے کے لیے پختہ پرعزم ہے، جس کا واضح مقصد معاشرے اور وسیع تر صحت کے نظام پر بامعنی اور دیرپا اثر ڈالنا ہے۔ کمپنی کا CSR فریم ورک معیاری کی صحت کی سہولیات تک رسائی بڑھانے، کمیونٹی کی بہبود کو فروغ دینے، اور اخلاقیات، شفافیت، اور دیانتداری کے اعلیٰ معیارات کو برقرار رکھنے پر مرکوز ہے۔

لازمی ادویات کی دستیابی کو یقینی بنانے کے علاوہ ہائی نون کم سہولت یافتہ کمیونٹیز میں عوامی صحت کے شعور کو فروغ دینے اور انسانی سرمائے پر بھی نمایاں توجہ دیتا ہے۔ کمپنی ایک جامع، محفوظ، اور کارکردگی پر مبنی کام کا محور فراہم کرتی ہے جو پیشہ ورانہ ترقی کو فروغ دیتا اور ملازمین کو بہترین کارکردگی دکھانے کے لیے بااختیار بناتا ہے۔ مضبوط کارپوریٹ گورننس کے اصولوں اور ماحولیاتی تحفظ کے اقدامات کو مربوط کرتے ہوئے، ہائی نون اپنے اسٹیک ہولڈرز کے لیے پائیدار اور طویل مدتی ویلیو تخلیق کرتی رہتی ہے اور ملک کی سماجی و اقتصادی ترقی میں بھی اپنا حصہ ڈالتی ہے۔

کمیونٹی انگیجمنٹ کے اپنے جاری عزم کے تحت، ہائی نون لمز (LUMS) کے ساتھ فنانس کورس کی ترقی کے لیے ایک اسٹریٹجک تعاون کو باضابطہ شکل دینے جا رہی ہے، جس کے لیے باقاعدہ مفاہمت کی یادداشت (MoU) پر دستخط کیے جائیں گے، تاکہ صحت، فنانس، اور کمیونٹی کی بہبود کو فروغ دیا جاسکے۔

مزید برآں، کمپنی سماجی بہبود میں فعال کردار ادا کرتی ہے اور معروف تنظیموں جیسے SOS چلڈرنز و لیجز، دی سٹیزنز فاؤنڈیشن، فاطمید فاؤنڈیشن، اور پاکستان ریڈ کریسنٹ سوسائٹی کو خیراتی چندہ اور مالی معاونت فراہم کرتی ہے۔

ڈائریکٹر رپورٹ

اہم مالیاتی جھلکیاں

2025	2024	ملین روپے
25,789	23,195	فروخت
14,126	11,929	گراس منافع
55%	51%	گراس منافع فیصد
6,259	4,801	آپریٹنگ منافع
24%	21%	آپریٹنگ منافع فیصد
(122)	(393)	مالی لاگت
4,119	3,253	بعد از ٹیکس منافع
(51)	(39)	دوسری کپریٹس آئینہ آمدن بعد از ٹیکس
4,068	3,213	سالانہ کل کپریٹس آئینہ آمدن
11,221	9,597	غیر تخصیص شدہ منافع

تخصیص منافع

1,590		نقد ڈیوڈنڈ فی حصص 30 روپے
2119	-	نقد ڈیوڈنڈ 2025 فی حصص 40 روپے
13,170	11,221	بقیہ غیر تخصیص شدہ منافع
77.75	61.41	فی شیئر آمدنی (روپے)

ہائی نون پاکستان کی تیرہویں (13th) بڑی دو اساز کمپنی ہے جس کا مارکیٹ شیئر بڑھکر 2.55% ہو گیا اور چار سالہ سالانہ مرکب شرح نمو (CAGR 21.52% رہی، جو IQVIA کے MAT دسمبر 2025 کے مطابق صنعت کی اوسط نمو 17.50% سے نمایاں طور پر زیادہ ہے۔ یہ کارکردگی کمپنی کی مضبوط برانڈ ویلیو، موثر پورٹ فولیو حکمت عملی، اور اہم علاقہ جی شعبوں میں گہری رسائی کی عکاسی کرتی ہے۔

خالص فروخت میں 11.18% کا مضبوط اضافہ ریکارڈ کیا گیا، جو بنیادی طور پر بہتر مصنوعات کے امتزاج، حجم میں توسیع، اور محتاط قیمتوں کی اصلاح کی بدولت ممکن ہوا۔ مزید برآں، پاکستان کی ڈرگ ریگولیٹری اتھارٹی (DRAP) کی جانب سے کم ضروری ادویات کے لیے قیمتوں میں زیادہ چلک کی اجازت دینے والی ضابطہ جاتی تبدیلی نے صنعت کو بروقت سہولت فراہم کی۔ ہائی نون نے اپنے متنوع پورٹ فولیو اور ڈیٹا پر مبنی قیمتوں کی حکمت عملی کے ذریعے اس سہولت کا موثر فائدہ اٹھایا، جس سے مارکیٹ میں اپنی مسابقتی پوزیشن کو مزید مستحکم کیا ہے۔

منظم لاگت کے انتظام اور اسٹریٹجک عمل درآمد کے نتیجے میں مجموعی مارجن 51% سے بڑھ کر 55% ہو گیا، جو پچھلے سال کے مقابلے میں 18.42% کے اضافے کی نمائندگی کرتا ہے۔ آپریٹنگ اخراجات عمومی طور پر مہنگائی کے دباؤ اور نئے کاروباری شعبوں میں منظم سرمایہ کاری کے مطابق بڑھے، تاہم، توقع ہے کہ یہ سرمایہ کاری درمیانی سے طویل مدت میں پائیدار منافع فراہم کرے گی۔

ڈائریکٹر ز رپورٹ

ڈائریکٹر ز کو یہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے، جو کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے پیش کی جارہی ہے۔ یہ رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے۔

کمپنی پاکستان کی معروف ہیلتھ کیئر کمپنیوں میں شامل ہے، جس کی توجہ زندگیوں کو بہتر بنانے اور مریضوں کی سہولت پر مرکوز ہے۔ کمپنی دوا سازی ادویات کی درآمد فروخت اور صارفین کی مصنوعات کی تیاری، میں مصروف عمل ہے۔

کمپنی 1995 سے پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہے، اور اس کارپوریٹ دفتر 17.5 کلومیٹر، ملتان روڈ، لاہور میں واقع ہے۔

معاشی اور کاروباری جائزہ

جائزہ کے سال کے دوران، پاکستان کا اقتصادی منظر نامہ طویل عدم استحکام کے بعد بتدریج استحکام کی عکاسی کرتا ہے۔ مجموعی قومی پیداوار (GDP) کی شرح نمو 3.04% رہی، جبکہ شرح مہنگائی میں کمی واقع ہو کر 5.6% پر آگئی، جس کی وجہ عالمی اجناس کی قیمتوں میں کمی، زرمبادلہ کی شرح میں استحکام، بتدریج مالیاتی نرمی، اور مالیاتی توازن ہے۔

ان واقعات نے دوا سازی کے شعبے کو کچھ حد تک آسانی فراہم کی، جو لاگت کے دباؤ اور مضابطہ جاتی غیر یقینی صورتحال کے تحت کام کر رہا ہے۔ عالمی ادارہ صحت (WHO) کی طرف سے ”لازمی ادویات“ قرار نہ دی جانے والی ادویات کی قیمتوں کی ریگولیشن ختم کرنے کی حکومت کی پہل اور بہتر ہوتے ہوئے میکرو اکنامک اشاریے نے جدت اور پورٹ فولیو میں تنوع کے لیے نئی تحریک پیدا کی ہے۔

دوا سازی کے شعبے نے سٹاک مارکیٹ میں ایک ٹریلین روپے سے زائد کی فروخت ریکارڈ کی، جو پچھلے سال کے مقابلے میں 16.39% اضافہ ظاہر کرتی ہے۔ ملکی مینوفیکچررز نے مارکیٹ میں برتری برقرار رکھی، قومی طلب کا تقریباً 78.44% پورا کیا، جو کرنسی کی غیر مستحکم صورتحال میں مقامی پیداوار کی حکمت عملی کو اجاگر کرتا ہے۔

اس کارکردگی کا ایک اہم سبب کمپنی کی دائمی علاج کی ادویات میں خاطر خواہ موجودگی رہی ہے۔ کمپنی کی کارکردگی میں دائمی مصنوعات کا حصہ تقریباً 47% ہے، جس سے ہائی نون کو آمدنی کی بہتر پیش بینی، کم موبی اثرات، اور مضبوط قیمتوں کا اختیار حاصل ہوتا ہے۔ کمپنی کے دس بڑے برانڈز مجموعی آمدنی کا تقریباً 50% فراہم کرتے ہیں، جو حجم کے فوائد اور آپریٹنگ لیوریج کے ساتھ برانڈ پر مبنی قیمتوں کے نظم کو برقرار رکھتے ہیں۔ کمپنی کی مسلسل نئی مصنوعات کی لائن میں تسلسل بھی اضافی نمو میں معاون رہا ہے۔ 2025 کے دوران کمپنی نے 17 نئی مصنوعات متعارف کروائیں، جن میں 11 دائمی اور 6 فوری نوعیت کے امراض شامل ہیں۔

ہائی نون پاکستان کی ان چند لسٹڈ کمپنیوں میں سے ہے جس کے پورٹ فولیو کا 50% سے زیادہ حصہ غیر لازمی ادویات کی کیٹیگری میں ہے۔ اس سے کمپنی کو کسی بڑی قیمت میں تبدیلی کے بغیر بہتر مارجن حاصل کرنے کی سہولت ملتی ہے۔ یہ ہائی نون کو اپنے حجم پر مبنی ترقی کے ذریعے آمدنی میں توسیع پر توجہ مرکوز رکھنے کے قابل بناتا ہے۔

مالیاتی کارکردگی

زیر نظر سال کے دوران کمپنی کی مالی کارکردگی درج ذیل ہے:

مستقبل پر ایک نظر

بورڈ اپنے گروپ، معزز صارفین، اسٹیک ہولڈرز، اور شراکت داروں کا ان کے مستقل اعتماد اور تعاون کے لیے دل کی گہرائیوں سے شکریہ ادا کرتا ہوں۔ آپ کا ہمارے وژن اور صلاحیتوں پر اعتماد ہماری مضبوط کارکردگی کے پیچھے ایک اہم محرک رہا ہے، جس نے ہائی نوں کو مارکیٹ سے آگے بڑھ کر ترقی کرنے اور روٹن مستقبل کے لیے خود کو مستحکم کرنے کا موقع فراہم کیا ہے۔

اپنے طویل مدتی وژن کے تحت، ہم گروپ کو ایک معیار پر مبنی دو اساس کمپنی کے طور پر مستحکم کرنے اور ملکی و بین الاقوامی مارکیٹوں میں اس کے بڑھتے ہوئے اثر کو مضبوط کرنے پر توجہ مرکوز کر رہے ہیں۔ اس مقصد کے تحت، گروپ ایک معروف عالمی ضابطہ جاتی اتھارٹی سے منظوری حاصل کرنے کی کوشش کر رہے ہیں۔ یہ اسٹریٹجک اقدام نہ صرف ہمارے ضابطہ جاتی ڈانچے کو مضبوط کرے گا بلکہ منظم شدہ مارکیٹوں میں توسیع کے نئے مواقع بھی کھولے گا۔

گروپ اپنے صارفین کے ہمارے مصنوعات اور خدمات پر اعتماد کو قدر کی نگاہ سے دیکھتے ہیں اور مسلسل اسی اعلیٰ معیار کی فراہمی کے لیے پرعزم ہیں جو توقعات کو نہ صرف پورا کرے بلکہ اس سے تجاوز بھی کرے۔

بورڈ گروپ کے ملازمین کی لگن، پیشہ ورانہ مہارت اور عزم کو سراہتا ہے، جن کی کاوشیں گروپ کی کارکردگی اور طویل مدتی اسٹریٹجک اہداف کی بنیاد کو مضبوط بناتی رہتی ہیں۔ گروپ پائیدار ترقی، عملیاتی برتری، اور تمام متعلقہ فریقین کے لیے طویل مدتی قدر کی تخلیق کے لیے پرعزم ہے۔

منجانب بورڈ آف ڈائریکٹرز



توفیق احمد خان
ڈائریکٹر



ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹو آفیسر

06 اپریل 2026

لاہور

گروپ ڈائریکٹر ز رپورٹ

ڈائریکٹر ز ہائی نون لیبارٹریز (ہولڈنگ کمپنی) اور کیوریکسا ہیلتھ (پرائیویٹ) لمیٹڈ، جو کے کلی طور پر اسکی ذیلی کمپنی ہے، کے مالیاتی گوشوارے برائے سال اختتام 31 دسمبر 2025 اور گروپ کی مجموعی کارکردگی پر اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

یہ رپورٹ ذیلی کمپنی کی عملی کارکردگی اور گروپ کے نقطہ نظر سے کیے گئے اہم اقدامات پر مرکوز ہے۔ اس میں حکمت عملی میں پیش رفت، عملی جھلکیاں، اور ذیلی کمپنی کی جانب سے گروپ کی مجموعی کارکردگی میں کی جانے والی شراکت کا جائزہ فراہم کیا گیا ہے۔

چیز مین کے جائزے اور ہولڈنگ کمپنی کی کارکردگی اور مالی حیثیت کے بارے میں ڈائریکٹر ز کی رپورٹ کے مواد، جہاں قابل اطلاق ہوں، اس رپورٹ کا حصہ ہیں۔

مالی کارکردگی کا جائزہ

مجموعی	2024	2025
ملین روپے		
قبل از ٹیکس خالص منافع	5,032	6,604
بعد از ٹیکس خالص منافع	3,389	4,128
فی شیئر آمدنی (روپے)	63.95	77.92

فی شیئر آمدنی

گروپ کے پڑتاں شدہ مجموعی گوشواروں کی بنیاد پر فی شخص بنیادی اور ڈائریکٹڈ آمدنی برائے مالی سال اختتام 31 دسمبر 2025 میں 77.92 روپے (63.95 روپے: 2024) رہا۔

ذیلی کمپنی کے کاروبار اور گروپ کا تناظر

ذیلی کمپنی ایک مخصوص سینفالوسپورن (CEPHALOSPORIN) پیداواری سہولت چلاتی ہے اور اس وقت ہولڈنگ کمپنی کے لیے مختلف سینفالوسپورن مصنوعات تیار کر رہی ہے، جس سے مسلسل سپلائی اور سخت معیار کے اصولوں کی پاسداری کو یقینی بنایا جاتا ہے۔

IQVIA کے مطابق، ذیلی کمپنی کے اہم برانڈز XORBACT® CEFTROR اور CEFIA® نے بالترتیب 882 ملین، 480 ملین اور 500 ملین روپے کی فروخت کی۔ یہ تمام برانڈز متعلقہ مالکیوں کی مارکیٹ میں بڑے 15 برانڈز میں شامل ہیں۔ یہ کارکردگی ظاہر کرتی ہے کہ قلیل المدتی پرائمری کیئر مصنوعات کے برانڈز کی مارکیٹ میں مقبولیت بڑھ رہی ہے اور ذیلی کمپنی گروپ کی مجموعی ترقی میں نمایاں کردار ادا کر رہی ہے۔

انتظامی امور میں بہتری

سال کے دوران، گروپ نے کئی اہم انفراسٹرکچر کی بہتری کے منصوبے کامیابی کے ساتھ مکمل کیے جن کا مقصد معیار کو بہتر اور ضوابط پر عملدرآمد کو مضبوط بنانا ہے۔، اور ہمارے عملیاتی دائرہ کار کی توسیع کرنا تھا۔ یہ اقدامات گروپ کے مستقل عزم کی عکاسی کرتے ہیں کہ ہم اپنی سہولیات اور عمل کو بدلتی ہوئی ضابطہ جاتی ضروریات اور عالمی بہترین طریقہ کار کے مطابق ہم آہنگ رکھیں۔

ماحولیاتی تحفظ کے اپنے عزم کے تحت، گروپ نے صنعتی فضلہ پانی کی صفائی کی سہولت بھی قائم کی ہے۔ یہ سہولت ہماری عملی سرگرمیوں سے پیدا ہونے والے فضلہ پانی کا مؤثر علاج اور جراثیم کشی یقینی بناتی ہے، ماحولیاتی اثرات کو نمایاں طور پر کم کرتی ہے اور پائیدار وسائل کے انتظام کے لیے ہماری ذمہ داری کو مضبوط کرتی ہے۔

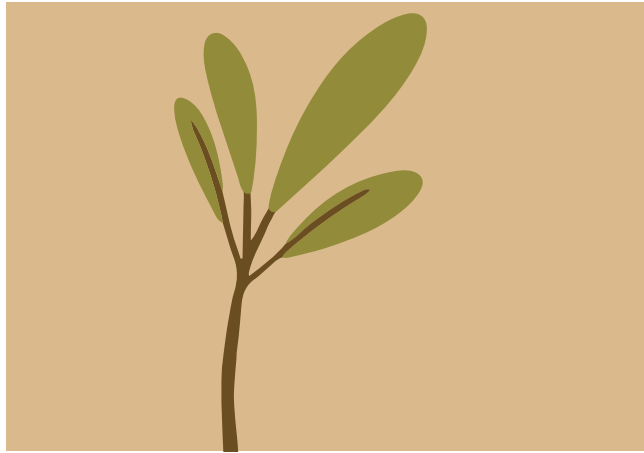
ان اقدامات کے ذریعے، گروپ مضبوط، تعمیل کرنے والی، اور ماحولیاتی طور پر ذمہ دار تنظیم بنانے کے لیے پرعزم ہیں جو طویل مدتی ترقی اور ویلیو پیدا کرنے میں معاون ہو۔

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