

BOOK  
POST



**HIGHNOON LABORATORIES LTD.**

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**Q2**  
REPORT  
2014



**HIGHNOON**  
LABORATORIES LTD.

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## Vision

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

“Highnoon for a Healthier Nation”

## Mission

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

## Corporate Objectives

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

## Company Information

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

## CHAIRMAN'S REVIEW

It is my pleasure to present the financial information of the Company for the half year ended 30th June, 2014 on behalf of the Board of Directors.

The Company has generated net sales revenue of Rs. 1,842 million during the period under review compared to Rs. 1,434 million in the corresponding half year. The Company has successfully maintained its record of double digit revenue growth and even in the current challenging economic environment net sales revenue grew by 28.5% compared to corresponding period last year.

Gross profit for the period increased to Rs.771 million compared to Rs.557 million in corresponding period last year. Cost of sales as percentage of sales decreased from 61% to 58% during the period under review as a result of higher productivity, favorable impact of Pak Rupee appreciation as well as reduction in the prices of certain materials.

Distribution selling and promotional expenses as percentage of sales increased by 1.5% compared to corresponding period last year. The growth in expenses was a result of investment in promotional and other marketing activities for existing portfolio as well as for new product launches. We have not only expanded our sales force but have trained and equipped them with latest technology. Administrative expenses were largely kept under control and increased in line with inflation and other staff related costs. Other operating expenses mainly represent statutory provisions that are dependent on profitability.

The absence of drugs pricing policy and inability of DRAP to regulate the drugs registrations in an efficient manner have slowed down investments in pharma sector. This has caused an uncertainty and delays in new products approval and pricing thus resulting in a negative impetus to the commercial activity as compared to climate in neighboring countries. We however are striving against all odds to meet up our commitments towards our customers and shareholders.

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

For & On behalf of the Board

Lahore: 21 August 2014

Tausif Ahmad Khan  
Chairman



## CONDENSED INTERIM FINANCIAL INFORMATION

For the Half Year Ended  
30 June 2014

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

### Introduction

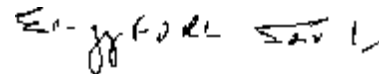
We have reviewed the accompanying condensed interim balance sheet of Highnoon Laboratories Limited as at 30 June 2014 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of comprehensive income and condensed interim statement of changes in equity and the notes to the accounts, for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

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

### Conclusion

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



Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 21 August 2014

## CONDENSED INTERIM BALANCE SHEET

Un Audited      Audited  
30 June      31 December  
2014      2013

Note ----- (Rupees) -----

### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

##### AUTHORIZED SHARE CAPITAL

20,000,000 (31 December 2013: 20,000,000)

	200,000,000	200,000,000
Ordinary shares of Rs. 10 each	200,000,000	200,000,000
Share capital	181,805,170	181,805,170
Reserves	585,766,521	533,568,145
	767,571,691	715,373,315

<b>Surplus on revaluation of fixed assets</b>	222,534,835	226,842,522
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#### NON CURRENT LIABILITIES

Long term loans - secured	-	37,500,000
Liabilities against assets subject to finance lease	25,158,470	24,778,541
Long term advances	13,451,232	8,734,244
Deferred liabilities	276,769,704	267,232,781
	315,379,406	338,245,566

#### CURRENT LIABILITIES

Trade and other payables	329,187,850	259,539,592
Income Tax - Net	20,669,514	-
Markup payable on secured loans	1,613,661	1,714,617
Short term bank borrowings - secured	230,835	73,203
Current portion of long term liabilities	26,820,309	40,550,058
	378,522,169	301,877,470

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,684,008,101</b>	<b>1,582,338,873</b>
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<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
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The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



BAQAR HASAN  
CHIEF EXECUTIVE OFFICER

## AS AT 30 JUNE 2014

Un Audited      Audited  
30 June      31 December  
2014      2013

Note ----- (Rupees) -----

### ASSETS

#### NON CURRENT ASSETS

Property, plant and equipment	6	753,932,012	761,880,224
Intangible assets		72,032,732	80,552,715
Long term deposits		1,562,054	1,562,054
		827,526,798	843,994,993

#### CURRENT ASSETS

Stock in trade	7	647,481,467	557,766,682
Trade debts		79,442,885	63,517,462
Advances, deposits and prepayments		49,832,894	44,942,404
Other receivables		1,088,439	1,301,880
Balances with statutory authorities		12,878,622	19,461,964
Income tax - net		-	1,820,196
Cash and bank balances		65,756,996	49,533,292
		856,481,303	738,343,880

<b>TOTAL ASSETS</b>		<b>1,684,008,101</b>	<b>1,582,338,873</b>
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ANEES AHMAD KHAN  
DIRECTOR

**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN AUDITED)  
For the Six Months Ended 30 June 2014**

	Note	Six Months Ended 30 June		Three Months Ended 30 June	
		2014	2013	2014	2013
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net	8	1,842,064,074	1,433,937,724	982,810,235	751,979,934
Cost of sales	9	1,071,298,153	876,600,193	568,701,218	465,697,747
<b>Gross profit</b>		<b>770,765,921</b>	<b>557,337,531</b>	<b>414,109,017</b>	<b>286,282,187</b>
<b>Operating expenses</b>					
Distribution, selling and promotional		453,149,084	331,948,856	248,379,939	171,017,991
Administrative and general		103,633,485	93,201,491	54,638,961	47,812,764
Research and development		1,309,561	3,881,620	762,608	1,765,507
Other operating charges		20,416,770	13,681,404	10,819,500	6,952,383
		578,508,900	442,713,371	314,601,008	227,548,645
		192,257,021	114,624,160	99,508,009	58,733,542
Other income		6,852,463	11,680,352	4,723,880	11,135,871
<b>Operating profit</b>		<b>199,109,484</b>	<b>126,304,512</b>	<b>104,231,889</b>	<b>69,869,413</b>
Finance cost		8,843,468	11,781,068	5,000,918	2,389,244
<b>Profit before taxation</b>		<b>190,266,016</b>	<b>114,523,444</b>	<b>99,230,971</b>	<b>67,480,169</b>
Taxation		60,563,000	41,028,012	30,363,000	24,198,363
<b>Profit after taxation</b>		<b>129,703,016</b>	<b>73,495,432</b>	<b>68,867,971</b>	<b>43,281,806</b>
<b>Earnings per share-basic and diluted</b>		<b>7.13</b>	<b>4.04</b>	<b>3.79</b>	<b>2.38</b>

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



BAQAR HASAN  
CHIEF EXECUTIVE OFFICER



ANEES AHMAD KHAN  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN AUDITED)  
For the Six Months Ended 30 June 2014**

	Six Months Ended 30 June	
	2014	2013
	----- (Rupees) -----	
Profit after tax for the period	129,703,016	73,495,432
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>129,703,016</b>	<b>73,495,432</b>

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

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



BAQAR HASAN  
CHIEF EXECUTIVE OFFICER



ANEES AHMAD KHAN  
DIRECTOR

**CONDENSED INTERIM  
CASH FLOW STATEMENT (UN AUDITED)  
For the Six Months Ended 30 June 2014**

	Six Months Ended 30 June	
	2014	2013
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	190,266,016	114,523,444
Adjustments for non-cash and other items:		
Depreciation	37,650,388	37,339,522
Amortization of intangible assets	9,024,633	9,001,979
Gain on disposal of property, plant and equipment	(4,406,589)	(10,359,066)
Exchange loss	4,622,302	4,404,273
Provision for defined benefit obligation	21,003,888	21,323,580
Finance cost	8,843,468	11,781,068
	76,738,090	73,491,356
<b>Profit before working capital changes</b>	<b>267,004,106</b>	<b>188,014,800</b>
<b>WORKING CAPITAL CHANGES</b>		
<i>(Increase)/decrease in current assets:</i>		
Stores and spares	-	(1,362,516)
Stock in trade	(89,714,785)	122,351,485
Trade debts	(15,925,423)	16,539,279
Advances, deposits and prepayments	(4,890,490)	(4,653,802)
Balances with statutory authorities	6,583,342	-
Other receivables	213,441	556,297
<i>Increase/(decrease) in current liabilities:</i>		
Trade and other payables	55,019,083	(17,326,911)
	(48,714,832)	116,103,832
<b>Cash generated from operations</b>	<b>218,289,274</b>	<b>304,118,632</b>
Add/(less):		
Taxes paid	(41,820,290)	(27,954,680)
Gratuity paid	(7,719,966)	(22,584,397)
Finance cost paid	(6,082,336)	(13,443,269)
Long term advances - net	651,612	(3,041,559)
<b>Net cash generated from operating activities</b>	<b>163,318,294</b>	<b>237,094,727</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(6,839,689)	(21,321,862)
Intangible assets acquired	(504,650)	(113,879)
Proceeds from disposal of property, plant and equipment	8,152,596	21,349,529
<b>Net cash generated/ (used) in investing activities</b>	<b>808,257</b>	<b>(86,212)</b>

	Six Months Ended 30 June	
	2014	2013
	----- (Rupees) -----	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease liabilities	(26,255,025)	(15,262,921)
Long term financing repayment	(50,000,000)	-
Increase/(decrease) in short term borrowings- net	157,632	(158,486,215)
Dividend paid	(71,805,454)	(51,093,879)
<b>Net cash used in financing activities</b>	<b>(147,902,847)</b>	<b>(224,843,015)</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,223,704</b>	<b>12,165,500</b>
Cash and cash equivalents at beginning of the period	49,533,292	6,462,091
<b>Cash and cash equivalents at end of the period</b>	<b>65,756,996</b>	<b>18,627,591</b>

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



BAQAR HASAN  
CHIEF EXECUTIVE OFFICER



ANEES AHMAD KHAN  
DIRECTOR



**CONDENSED INTERIM STATEMENT  
OF CHANGES IN EQUITY (UN AUDITED)**  
For the Six Months Ended 30 June 2014

Share Capital	Revenue Reserves			Total
	General Reserves	Unappropriated Profit	Sub Total	

----- Rupees -----

Balance as at 01 January 2013	181,805,170	114,000,000	324,931,431	438,931,431	620,736,601
Final dividend @ Rs. 3.5 per share for the year ended 31 December 2012	-	-	(63,631,810)	(63,631,810)	(63,631,810)
Incremental depreciation relating to surplus on revaluation of fixed assets	-	-	2,957,524	2,957,524	2,957,524
Total comprehensive income for the period, net of tax	-	-	73,495,432	73,495,432	73,495,432
<b>Balance as at 30 June 2013</b>	<b><u>181,805,170</u></b>	<b><u>114,000,000</u></b>	<b><u>337,752,577</u></b>	<b><u>451,752,577</u></b>	<b><u>633,557,747</u></b>
Balance as at 01 January 2014	181,805,170	114,000,000	419,568,145	533,568,145	715,373,315
Final dividend @ Rs. 4.5 per share for the year ended 31 December 2013	-	-	(81,812,327)	(81,812,327)	(81,812,327)
Incremental depreciation relating to surplus on revaluation of fixed assets	-	-	4,307,687	4,307,687	4,307,687
Total comprehensive income for the period, net of tax	-	-	129,703,016	129,703,016	129,703,016
<b>Balance as at 30 June 2014</b>	<b><u>181,805,170</u></b>	<b><u>114,000,000</u></b>	<b><u>471,766,521</u></b>	<b><u>585,766,521</u></b>	<b><u>767,571,691</u></b>

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



BAQAR HASAN  
CHIEF EXECUTIVE OFFICER



ANEES AHMAD KHAN  
DIRECTOR

**SELECTED NOTES TO THE CONDENSED  
INTERIM  
FINANCIAL INFORMATION (UN AUDITED)**  
For the Six Months Ended 30 June 2014

**1. THE COMPANY AND ITS OPERATIONS**

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

**2. STATEMENT OF COMPLIANCE**

2.1 This condensed interim financial information of the Company for the six months ended 30 June 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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

**3. BASIS OF PREPARATION**

3.1 This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2013.

3.2 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 31 December 2013 except for as disclosed in note 3.3 below.

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

IAS 32 - Offsetting Financial Assets and Financial liabilities – (Amendment)

IAS 36 - Recoverable Amount for Non - Financial Assets (Amendment)

IAS 39-Novation of Derivatives and Continuation of Hedge

IFRIC 21-Levies

The adoption of the above amendments did not have any effect on the financial statements.

**4. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2013.

## 5. CONTINGENCIES AND COMMITMENTS

### Contingencies:

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

### Commitments:

Commitments against irrevocable letters of credit include:

	Note	Un Audited 30 June 2014	Audited 31 December 2013
----- (Rupees) -----			
Raw materials		165,343,886	164,456,000
Packing materials		34,306,061	44,858,000
Finished goods		8,295,000	-
		<u>207,944,947</u>	<u>209,314,000</u>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - (owned)	(6.1)	685,964,657	694,898,950
Operating fixed assets - (leased)	(6.2)	67,382,311	52,614,628
Capital work-in-progress	(6.3)	585,044	14,366,646
		<u>753,932,012</u>	<u>761,880,224</u>
<b>6.1 Operating fixed assets(owned)</b>			
Opening book value		694,898,950	725,775,250
Add:			
Additions during the period / year - cost	(6.1.1)	20,621,285	39,581,307
Transferred during the period / year -vehicles		5,668,673	12,841,590
		26,289,958	52,422,897
Less: Deletions during the period / year	(6.1.2)	3,746,007	17,021,124
Depreciation during the period / year		31,478,244	66,278,073
		35,224,251	83,299,197
Book value at the end of the period / year		<u>685,964,657</u>	<u>694,898,950</u>
<b>6.1.1 Additions during the period / year - cost</b>			
Building on freehold land		-	4,269,158
Plant and machinery		669,240	4,677,991
Laboratory equipment		8,086,772	797,924
Furniture and fixtures		46,179	8,603,079
Electric and gas appliances		359,000	287,869
Office equipment		1,514,594	925,786
Vehicles		9,945,500	20,019,500
		<u>20,621,285</u>	<u>39,581,307</u>

Note	Un Audited 30 June 2014	Audited 31 December 2013
----- (Rupees) -----		

### 6.1.2 Deletions during the period / year

Office equipment	-	1,181,096
Vehicles	3,746,007	15,840,028
	<u>3,746,007</u>	<u>17,021,124</u>

### 6.2 Operating fixed assets (leased)

Opening book value	52,614,628	39,409,323
Add: Additions during the period / year	26,608,500	36,802,500
	79,223,128	76,211,823
Less: Transfers during the period / year- Vehicles	5,668,673	12,841,590
Depreciation during the period / year	6,172,144	10,755,605
	11,840,817	23,597,195
Book value at the end of the period / year	<u>67,382,311</u>	<u>52,614,628</u>

### 6.3 Capital work-in-progress

Civil works	585,044	146,211
Plant and machinery - owned	-	4,215,435
Advance to suppliers (for purchase of vehicles)	-	10,005,000
	<u>585,044</u>	<u>14,366,646</u>

## 7. STOCK IN TRADE

Raw material		
In hand	333,163,650	298,613,701
In transit	30,113,152	18,654,480
	363,276,802	317,268,181
Packing material		
In hand	136,311,821	104,747,538
In transit	5,888,576	2,609,588
With third party	108,324	-
	142,308,721	107,357,126
Work in process	57,663,066	30,876,707
Finished goods		
In hand	84,232,878	101,229,780
With third party	-	1,034,888
	84,232,878	102,264,668
	<u>647,481,467</u>	<u>557,766,682</u>

8. SALES - net	Un-Audited			
	Six Months Ended		Three Months Ended	
	30 June		30 June	
	2014	2013	2014	2013
	----- Rupees -----			
Manufactured products				
Local	1,692,017,646	1,295,769,682	913,796,863	688,103,529
Export	124,887,373	107,910,535	59,123,061	50,073,039
	1,816,905,019	1,403,680,217	972,919,924	738,176,568
Purchased products-Local	17,059,131	22,315,005	13,472,315	9,273,957
Third Party	164,868,283	135,776,390	80,181,914	69,944,816
	1,998,832,433	1,561,771,612	1,066,574,153	817,395,341
Less: Discount	151,039,624	124,664,550	79,016,685	64,019,633
Sales tax	5,728,735	3,169,338	4,747,233	1,395,774
	156,768,359	127,833,888	83,763,918	65,415,407
	<u>1,842,064,074</u>	<u>1,433,937,724</u>	<u>982,810,235</u>	<u>751,979,934</u>

## 9. COST OF SALES

Opening stock of finished goods (excluding purchased products)	102,090,848	173,386,771	94,492,920	123,054,671
Cost of goods manufactured	1,036,839,565	756,221,419	545,294,596	405,527,497
	1,138,930,413	929,608,190	639,787,516	528,582,168
Closing stock of finished goods	(79,047,644)	(69,482,331)	(79,047,644)	(69,482,331)
Cost of sales - Manufactured	1,059,882,769	860,125,859	560,739,872	459,099,837
Cost of sales - Purchased products	11,415,384	16,474,334	7,961,346	6,597,910
	<u>1,071,298,153</u>	<u>876,600,193</u>	<u>568,701,218</u>	<u>465,697,747</u>

## 10. RELATED PARTY TRANSACTIONS

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

10.1 Sales of goods	Un-Audited			
	Six Months Ended		Three Months Ended	
	30 June		30 June	
	2014	2013	2014	2013
	----- Rupees -----			
Associated Company	43,631,565	21,895,180	21,207,945	13,139,643
10.2 Contribution towards employees' benefits				
Staff provident fund	7,598,681	7,186,552	3,833,417	3,679,997
Employees' welfare trust	632,195	601,452	324,945	298,052

10.3 Remuneration	Un-Audited			
	Six Months Ended		Three Months Ended	
	30 June		30 June	
	2014	2013	2014	2013
	----- Rupees -----			
CEO	6,330,717	5,011,513	3,634,917	2,271,098
Directors	13,804,409	11,020,427	7,277,577	5,436,919
Executives	95,618,606	82,638,433	48,029,046	41,458,291
			<u>Un-Audited 30 June 2014</u>	<u>Audited 31 December 2013</u>
			----- (Rupees) -----	

## 10.4 The outstanding balances of related parties are as under:

Relationship with the Company	Nature of balance		
Associated company	Creditors	<u>462,917</u>	<u>289,618</u>
Staff provident fund	Contribution payable	<u>2,530,613</u>	<u>2,773,897</u>

## 11. DATE OF AUTHORIZATION FOR ISSUANCE

The Board of Directors of the Company authorized the financial information for issuance on 21 August, 2014.

## 12. GENERAL

- 12.1 The figures of condensed interim profit and loss account for the quarters ended 30 June 2014 and 2013 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.
- 12.2 Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fund, defined benefit plan and Taxation are estimated and these are subject to final adjustment in the annual audited financial statements.
- 12.3 Corresponding figures have been rearranged and / or restated, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made in this financial information except balances with statutory authorities which has been shown on the face of balance sheet which were shown in the other receivable previously.
- 12.4 Figures have been rounded off to the nearest rupee.

  
 BAQAR HASAN  
 CHIEF EXECUTIVE OFFICER

  
 ANEES AHMAD KHAN  
 DIRECTOR