



OPTIMISM REDEFINED

**Condensed Interim
Financial Statements**
for the three months period ended March 31, 2024

Corporate Information

Board of Directors

Zafar Mahmood
Chairman & Independent Director

Syed Ali Akbar
MD / CEO & Executive Director

Syed Muhammad Ali Abrar
Director Finance/IT

Syed Asad Ali Shah
Legal & External Affairs Director

Wael Sabra
Non-Executive Director

Usman Zahur
Non-Executive Director

Asif Jooma
Independent Director

Mohammad Riaz
Independent Director

Faisal Saif
Non-Executive Director

Gary Tarrant
Non-Executive Director

Lt. Gen. (R) Najib Ullah Khan
Independent Director

Belinda Ross
Non-Executive Director

Audit Committee

Mohammad Riaz (Chairman)

Lt. Gen. (R) Najib Ullah Khan

Belinda Ross

Wael Sabra

Asif Jooma

Sughra Sadaf (Secretary)

Company Secretary

Madeeha Arshad Chaudhry

Registered Office

Pakistan Tobacco Company Limited
Serena Business Complex, Khayaban-e-
Suhrawardy, P.O. Box 2549, Islamabad-44000
Telephone: +92 (051) 2083200, 2083201
Fax: +92 (051) 2604516
Web: www.ptc.com.pk

Factories

Akora Khattak Factory
P.O. Akora Khattak
Tehsil and District Nowshera,
Khyber Pakhtunkhwa
Telephone: +92 (0923) 561561-72
Fax: +92 (0923) 561502

Jhelum Factory
G.T. Road, Kala Gujran
Jhelum
Telephone: +92 (0544) 646500-7
Fax: +92 (0544) 646524

Bankers

MCB Bank Limited
MCB Islamic Bank Limited
Habib Bank Limited
National Bank of Pakistan
Citibank N.A.
Standard Chartered Bank (Pakistan) Limited
Deutsche Bank AG
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building No. 5
Jinnah Avenue, Blue Area, Islamabad. 44000
Telephone: +92 (051) 2823558
Fax: +92 (051) 2822671

Share Registrar

FAMCO Associates (Pvt.) Ltd.
8-F, Near Hotel Faran, Nursery, Block 6,
P.E.C.H.S, Shahrah-e-Faisal,
Karachi
Ph: +92 (021) 34380101-2

Directors' Review

In the first quarter of 2024, Pakistan Tobacco Company Limited (PTC/Company) continued its unwavering commitment with resilience by leveraging the strength of its brands and robust consumer base. The Company's ethos has evolved to a truly multi-category approach, catering to ever-changing market dynamics and consumer preferences. Employing a progressive mindset, the Company continues its investment in growing its reduced-risk products, VELO™ and Vuse™.

The Pakistan economy, though showing signs of stabilization, continues to grapple with numerous challenges which continue to negatively impact both the manufacturing sector and consumer purchasing power. These challenges, compounded by the unique complexities of the tobacco sector in Pakistan, continue to have lasting effects on the Company's operations. Measures aimed at revitalizing the economy and stabilizing macroeconomic indicators create some hope for much-needed stability for the local manufacturing sector.

One of the primary concerns facing PTC's business is the ever-growing quantum of the illicit tobacco sector in Pakistan, intensified by substantial excise increases and inadequate enforcement by regulators, including limited implementation of the Track & Trace System (T&TS). This not only undermines the sustainability of the legitimate industry but also poses a severe threat to Government tax revenues. While multiple enforcement raids were conducted by law enforcement agencies in Pakistan as well as Azad Jammu & Kashmir, seizing counterfeit and illicit stock, there is an urgent and dire need for a comprehensive strategy and concerted efforts by relevant authorities to safeguard the legitimate tobacco sector and the tax revenue which it contributes to the national exchequer. It is also crucial to ensure complete implementation of the T&TS for restoring market integrity to have its intended effect on the tobacco sector in Pakistan.

Key financial indicators of the Company for the period ended March 31, 2024, are summarized below:

	Rs. (million)	
	Jan - Mar, 2024	Jan - Mar, 2023
Gross Turnover	74,147	58,721
FED & Sales Tax	(50,243)	(36,137)
Net Turnover	23,904	22,584
Cost of Sales	(13,184)	(9,632)
Gross Profit	10,721	12,951
Operating Profit	7,284	8,681
Profit Before Tax – PBT	8,819	9,812
Profit After Tax – PAT	5,138	6,744
Earnings Per Share – EPS (Rs)	20.11	26.40

Domestic volume decreased by 23% vs SPLY, largely attributed to the enduring impact of a significant excise-driven price increase implemented in February 2023. The significant reduction in volumes is directly attributable to the excessive increase in Excise Duty on cigarettes that has in turn led to greater share being taken by the Duty Not Paid brands at the expense of the Duty Paid/compliant manufacturers. This has in turn led to a loss of tax revenues for the Government.

In keeping with the Company's strategic focus on exports, an impressive \$3.8 million worth of goods were successfully exported during the period under review.

Amidst the backdrop of sharp local currency devaluation and record inflation levels, the cost of sales increased by 37% compared to the prior period. Despite considerable cost pressures, the Company managed to limit the decline in operating profit to 16% through cost and efficiency optimization initiatives. The Company's PBT posted a lower decline of 10% vs. SPLY, which was mainly on account of higher interest income. The higher 24% decline in profit after tax was on account of the imposition of 10% super tax (Q1 2023: 4%).

PTC remains steadfast in its commitment to deliver unparalleled value to consumers through its brands, while safeguarding and enhancing business value through robust risk management, cost optimization initiatives and simplification of processes. The Company will continue to invest in the expansion of its reduced-risk products portfolio in line with BAT Group's agenda of A Better Tomorrow™, catering to an ever-evolving consumer base. With its talented workforce, PTC stands poised to confront the challenges on the horizon with unwavering resolve. As we venture into 2024, PTC is primed to deliver upon shareholder expectations and continue its legacy of excellence.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

گھریلو جیم میں ایس پی ایل وائی کے مقابلے میں 23 فیصد کمی واقع ہوئی، جس کی بڑی وجہ فروری 2023 میں لاگو کی گئی ایکسائز پر مبنی قیمتوں میں نمایاں اضافے کے دیرپا اثرات سے منسوب ہے۔ جیم میں نمایاں کمی براہ راست سگریٹ پر ایکسائز ڈیوٹی میں حد سے زیادہ اضافے سے منسوب ہے جس کے نتیجے میں ڈیوٹی پیئڈ / عملدرآمد کرنے والے مینوفیکچررز کی قیمت پر ڈیوٹی ٹاٹ اپڈ برائنڈ زیادہ حصہ لے رہے ہیں۔ اس کے نتیجے میں حکومت کو ٹیکس ریونیو میں نقصان ہوا ہے۔

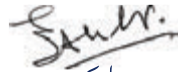
برآمدات پر کپٹنی کے اسٹریٹیجک فوکس کو مد نظر رکھتے ہوئے، زیر جائزہ مدت کے دوران 3.8 بلین ڈالر مالیت کا متاثر کن سامان کامیابی سے برآمد کیا گیا۔

مقامی کرنسی کی قدر میں تیزی سے کمی اور مہنگائی کی ریکارڈ سطح کے پس منظر میں فروخت کی لاگت میں گزشتہ مدت کے مقابلے میں 37 فیصد اضافہ ہوا۔ لاگت کے کافی دباؤ کے باوجود لاگت اور کارکردگی کو بہتر بنانے کے اقدامات کے ذریعے کپٹنی آپریٹنگ منافع میں کمی کو 16 فیصد تک محدود کرنے میں کامیاب رہی۔ کپٹنی کے پی بی پی میں ایس پی ایل وائی کے مقابلے میں فیصد کمی واقع ہوئی جو بنیادی طور پر بلند سود آمدن کی وجہ سے تھی۔ ٹیکس کے بعد منافع میں 24 فیصد زیادہ کمی 10 فیصد پری ٹیکس کے نفاذ کی وجہ سے ہوئی (پہلی سہ ماہی 2023: 4 فیصد)۔

پی ٹی سی اپنے برائنڈز کے ذریعے صارفین کو بے مثال قدر فراہم کرنے کے اپنے عزم پر ثابت قدم ہے جبکہ مضبوط رسک مینجمنٹ، لاگت کو بہتر بنانے کے اقدامات اور عمل کو آسان بنانے کے ذریعے کاروباری قدر کی حفاظت اور اضافہ کرتی ہے۔ کپٹنی پی اے ٹی گروپ کے ایک بہترین کل ٹریڈ مارک (A) Better Tomorrow TM کے ایجنڈے کے مطابق اپنے کم رسک پروڈکٹس کے پورٹ فولیو کی توسیع میں سرمایہ کاری جاری رکھے گی جو کہ ترقی پذیر صارفین کی بنیاد کو مسلسل پورا کرتی ہے۔ اپنی باصلاحیت افرادی قوت کے ساتھ، پی ٹی سی افن پر چیلنجوں کا مقابلہ کرنے کے لیے غیر متزلزل عزم کے ساتھ تیار ہے۔ جیسا کہ ہم 2024 میں قدم رکھتے ہیں۔ پی ٹی سی کا مقصد حصص یافتگان کی توقعات پر پورا اترنا اور اپنے شاندار ہونے کی میراث کو جاری رکھنا ہے۔



سید محمد علی ابرار
سی ایف او اور ڈائریکٹر



سید علی اکبر
ٹیکنالوجی ڈائریکٹر / سی ای او

ڈائریکٹرز کا جائزہ - پہلی سہ ماہی 2024

2024 کی پہلی سہ ماہی میں پاکستان ٹوکیو کمپنی لمیٹڈ (پی ٹی سی / کمپنی) نے اپنے برانڈز کی طاقت اور مضبوط صارفین کی بنیاد کا فائدہ اٹھاتے ہوئے لپک کے ساتھ اپنے غیر متوازن عزم کو جاری رکھا۔ کمپنی کی اخلاقیات نے حقیقی معنوں میں ایک کثیر زمرہ کے نقطہ نظر کو تیار کیا ہے جو مارکیٹ کی مسلسل بدلتی ہوئی حرکیات اور صارفین کی ترجیحات کو پورا کرتا ہے۔ ترقی پسند ذہنیت کو بروئے کار لاتے ہوئے، کمپنی اپنی کم خطرے والی مصنوعات، VELO™ اور use™ کو بڑھانے میں اپنی سرمایہ کاری جاری رکھے ہوئے ہے۔

پاکستان کی معیشت، اگرچہ استحکام کے آثار دکھا رہی ہے، متعدد چیلنجوں سے دوچار ہے جو مینوفیکچرنگ سیکٹر اور صارفین کی قوت خرید دونوں پر منفی اثرات مرتب کر رہے ہیں۔ پاکستان میں تمباکو کے شعبے کی منفرد پیچیدگیوں سے جڑے یہ چیلنجز کمپنی کے کاموں پر دیگر بد اثرات مرتب کر رہے ہیں۔ معیشت کو بحال کرنے اور میکرو اکنامک اشاریوں کو مستحکم کرنے کے لیے اقدامات مقامی مینوفیکچرنگ سیکٹر کے لیے انتہائی ضروری استحکام کی امید پیدا کرتے ہیں۔

پی ٹی سی کے کاروبار کو درپیش بنیادی خدشات میں سے ایک پاکستان میں تمباکو کے غیر قانونی سیکٹر کی بڑھتی ہوئی مقدار ہے، جس میں خاطر خواہ اضافہ اور ریگولیشن کی جانب سے ناکافی نفاذ، بشمول ٹریک اینڈ ٹریس سسٹم (ٹی اینڈ ٹی ایس) کا محدود نفاذ شامل ہے۔ اس سے نہ صرف جائز صنعت کی پائیداری کو نقصان پہنچتا ہے بلکہ حکومتی ٹیکس محصولات کو بھی شدید خطرہ لاحق ہوتا ہے۔ جب کہ پاکستان کے ساتھ ساتھ آزاد چارجز اور وکٹیر میں قانون نافذ کرنے والے اداروں کی طرف سے متعدد چھاپے مارے گئے، جعلی اور غیر قانونی ٹاک پکڑے گئے، وہاں تمباکو کے جائز سیکٹر اور اس کے ٹیکس ریونیو جو یہ قومی خزانے میں ڈالتا ہے کے تحفظ کے لیے متعلقہ حکام کی جانب سے جامع حکمت عملی اور ٹھوس کوششوں کی فوری اور اشد ضرورت ہے۔ پاکستان میں تمباکو کے شعبے پر مطلوب اثرات مرتب کرنے اور مارکیٹ کی سالمیت کو بحال کرنے کے لیے ٹی اینڈ ٹی ایس کے مکمل نفاذ کو یقینی بنانا بھی بہت ضروری ہے۔

31 مارچ 2024 کو ختم ہونے والی مدت کے لیے کمپنی کے کلیدی مالی اشاریوں کا خلاصہ ذیل میں دیا گیا ہے:

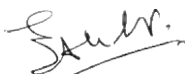
روپے (ملین)		
پہلی سہ ماہی 2024	پہلی سہ ماہی 2023	
58,721	74,147	مجموعی کاروبار
(36,137)	(50,243)	ایف ای ڈی اور سیلز ٹیکس
22,584	23,904	خالص کاروبار
(9,632)	(13,184)	سیلز کے لاگت
12,951	10,721	مجموعی منافع
8,681	7,284	آپریٹنگ منافع
9,812	8,819	ٹیکس سے پہلے منافع - پی ٹی سی
6,744	5,138	ٹیکس کے بعد منافع - پی اے ٹی
26.40	20.11	ٹی شیئر آمدنی - ای پی ایس (روپے)

Condensed Interim Statement of Profit or Loss (Unaudited)

for the three months period ended March 31, 2024

	Note	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Domestic turnover		73,096,105	57,490,336
Export turnover		1,051,187	1,230,848
Gross turnover		74,147,292	58,721,184
Excise duties		(38,724,816)	(27,284,075)
Sales tax		(11,518,088)	(8,853,216)
Net turnover		23,904,388	22,583,893
Cost of sales	7	(13,183,585)	(9,632,469)
Gross profit		10,720,803	12,951,424
Selling and distribution costs		(1,542,509)	(1,387,060)
Administrative expenses		(1,355,621)	(1,302,092)
Other operating expenses	8	(634,781)	(1,683,677)
Other income	9	96,067	101,958
		(3,436,844)	(4,270,871)
Operating profit		7,283,959	8,680,553
Finance income	10	1,719,215	1,254,403
Finance cost		(183,824)	(122,627)
Net finance income		1,535,391	1,131,776
Profit before income tax		8,819,350	9,812,329
Income tax expense - current		(3,633,157)	(2,993,507)
- deferred		(48,353)	(74,898)
		(3,681,510)	(3,068,405)
Profit for the period		5,137,840	6,743,924
Earnings per share - basic and diluted (Rupees)		20.11	26.40

The annexed notes 1 to 24 are an integral part of these condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

for the three months period ended March 31, 2024

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Profit for the three months	5,137,840	6,743,924
Other comprehensive income for the three months	-	-
Total comprehensive income for the three months	5,137,840	6,743,924

The annexed notes 1 to 24 are an integral part of these condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Condensed Interim Statement of Financial Position (Unaudited)

as at March 31, 2024

	Note	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
Non current assets			
Property, plant and equipment	11	22,886,241	21,671,778
Advance for capital expenditure		890,021	1,346,732
Long term investment in subsidiary company	12	5,000	5,000
Long term deposits and prepayments		42,895	42,395
		23,824,157	23,065,905
Current assets			
Stock-in-trade		44,409,744	46,672,301
Stores and spares		727,564	630,989
Trade debts		3,427	2,687,721
Loans and advances	13	1,418,396	646,419
Short term prepayments		252,025	220,716
Other receivables	14	3,113,971	3,163,429
Short term investments		43,146,461	14,557,699
Cash and bank balances	15	4,250,352	17,938,895
		97,321,940	86,518,169
Current liabilities			
Trade and other payables	16	46,311,580	39,130,358
Other liabilities		1,885,538	2,089,190
Lease liability	17	984,430	852,765
Short term running finance	18	541	-
Unpaid dividend		7,079,767	8,141,160
Unclaimed dividend		103,662	105,081
Current income tax liability		2,556,379	3,285,951
		58,921,897	53,604,505
Net current assets		38,400,043	32,913,664
Non current liabilities			
Lease liability	17	(2,872,736)	(2,569,277)
Deferred income tax liability		(2,143,472)	(2,095,119)
		(5,016,208)	(4,664,396)
Net assets		57,207,992	51,315,173
Share capital and reserves			
Share capital	19	2,554,938	2,554,938
Capital reserve		4,797,183	4,042,204
Revenue reserve - Unappropriated profit		49,855,871	44,718,031
Shareholders' equity		57,207,992	51,315,173
Contingencies and commitments	20		

The annexed notes 1 to 24 are an integral part of these condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer




Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Condensed Interim Statement of Changes in Equity (Unaudited)

as at March 31, 2024

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
Balance at January 1, 2023	2,554,938	24,069,389	-	26,624,327
Total comprehensive income for the three months period	-	6,743,924	-	6,743,924
Balance at March 31, 2023	2,554,938	30,813,313	-	33,368,251
Balance at January 1, 2024	2,554,938	44,718,031	4,042,204	51,315,173
Total comprehensive income for the three months period	-	5,137,840	754,979	5,892,819
Balance at March 31, 2024	2,554,938	49,855,871	4,797,183	57,207,992

The annexed notes 1 to 24 are an integral part of these condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



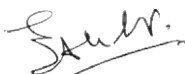
Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Condensed Interim Statement of Cash Flows (Unaudited)

for the three months period ended March 31, 2024

	Note	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Cash flows from operating activities			
Cash generated from operations	21	19,793,392	13,675,463
Income tax paid		(4,362,729)	(3,067,661)
Finance cost paid		-	(20,139)
Contribution to retirement benefit funds		(164,635)	(90,595)
Net cash generated from operating activities		15,266,028	10,497,068
Cash flows from investing activities			
Purchases of property, plant and equipment		(866,454)	(1,261,350)
Advances for capital expenditure		456,711	(30,395)
Proceeds from sale of property, plant and equipment		144,783	145,675
Interest received		1,719,215	1,254,403
Net cash generated from investing activities		1,454,255	108,333
Cash flows from financing activities			
Dividends paid		(1,062,812)	(2,246)
Finance lease payments		(757,252)	(317,635)
Net cash used in financing activities		(1,820,064)	(319,881)
Net increase in cash and cash equivalents		14,900,219	10,285,520
Cash and cash equivalents at January 1		32,496,594	23,400,907
Cash and cash equivalents at March 31		47,396,813	33,686,427
Cash and cash equivalents comprise:			
Cash and bank balances	15	4,250,352	2,206,881
Short term investments		43,146,461	31,479,546
		47,396,813	33,686,427

The annexed notes 1 to 24 are an integral part of these condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

1. The Company and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and/or sale of cigarettes, raw and semi-finished tobacco, tobacco free nicotine pouches and vaping products.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

2. Statement of compliance

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Basis of preparation

These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2023 ('last annual financial statements'). These condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Comparative figures of condensed interim statement of financial position are extracted from the annual financial statements as of December 31, 2023 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the three months period ended March 31, 2023.

These condensed interim financial statements are un-audited and are being submitted to the members of the Company as required under Section 237 of the Companies Act, 2017, and the listing regulations of the Pakistan Stock Exchange.

4. Use of judgements and estimates

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2023.

6. Standards issued but not effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 01, 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards.

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
7. Cost of sales		
Raw materials consumed		
Opening stock of raw materials and work in process	43,673,169	21,904,030
Raw material purchases and expenses	8,940,296	7,495,808
Closing stock of raw materials and work in process	(41,037,014)	(19,862,087)
	11,576,451	9,537,751
Excise duty, customs/regulatory duty and tobacco development cess	353,312	725,458
Royalty	-	175,136
Production overheads	1,485,484	1,174,978
Cost of goods manufactured	13,415,247	11,613,323
Cost of finished goods:		
Opening stock	3,141,068	3,130,588
Closing stock	(3,372,730)	(5,111,442)
	(231,662)	(1,980,854)
	13,183,585	9,632,469
8. Other operating expenses		
Workers' Profit Participation Fund	294,014	526,978
Workers' Welfare Fund	185,323	200,252
Bank charges and fees	18,371	15,761
Foreign exchange loss	137,073	940,686
	634,781	1,683,677

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
9. Other income		
Gain on disposal of property, plant and equipment	95,196	100,663
Others	871	1,295
	96,067	101,958
10 Finance income		
This includes profit from placement with banks in saving account and treasury bills earned under interest arrangement. The interest rates range between 19.20% and 21.75% (three months ended March 31, 2023 : 12.25% and 19.18%) per annum and is received on maturity.		
	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
11. Property, plant and equipment		
Operating fixed assets - note 11.1	19,571,336	19,029,849
Capital work in progress - note 11.2	3,314,905	2,641,929
	22,886,241	21,671,778
11.1 Operating fixed assets		
Carrying amount at January 01	19,029,849	15,756,223
Additions during the three months period / year		
Owned Assets		
Buildings on free hold land	193,478	101,575
Plant and machinery	-	2,235,711
Office and household equipment	-	346,535
Furniture and fittings	-	38,788
Vehicles	-	9,132
Right of use assets	814,181	1,890,236
Leased Assets		
Vehicles	181,307	955,959
	1,188,966	5,577,936
Disposals during the three months period / year (net book value):		
Buildings on free hold land	-	-
Plant and machinery	-	(969)
Office and household equipment	-	(2,688)
Furniture and fittings	-	(372)
Vehicles	-	-
	-	(4,029)
Right of use assets	-	-
Leased Assets		
Vehicles	(49,587)	(147,317)
Depreciation/impairment charge for the three months period/year	(597,892)	(2,152,964)
Net book amount	19,571,336	19,029,849

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

11.1.1 During the three months period ended March 31, 2024, the Company acquired assets, including transfers from capital work in progress, with a cost of Rs 1,188,966 thousand (three months period ended March 31, 2023: Rs 1,529,229 thousand). Operating fixed assets having net book value of Rs 49,587 thousand were disposed off during three months period ended March 31, 2024 (three months period ended March 31, 2023: Rs. 45,012 thousand). Depreciation/impairment charge for three months period ended March 31, 2024 was Rs. 597,892 thousand (three months period ended March 31, 2023: Rs. 501,582 thousand).

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
11.2 Capital work in progress		
Carrying amount as at the beginning of the period/year	2,641,929	1,045,717
Additions during the three months/year	672,976	2,431,467
	3,314,905	3,477,184
Transferred to operating fixed assets	-	(835,255)
Carrying amount as at end of the period/year	3,314,905	2,641,929

12. Long term investment in subsidiary company

This represents 500,001 (2023: 500,001) fully paid ordinary shares of Rs 10 each in Phoenix (Private) Limited. The break up value of shares calculated by reference to net assets worked out to be Rs 10 per share based on audited financial statements for the year ended December 31, 2023. This is a wholly owned subsidiary of the Company which has not yet commenced commercial production.

13. Loans and advances

These include non interest bearing advances to employees of Rs 32,537 thousand (December 31, 2023 : Rs 26,735 thousand)

14. Other receivables

These include following balances due from related parties:

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
Holding company / associated companies	780,783	2,498,670
Subsidiary company	20,021	20,021
Employees' retirement benefit plans	57,405	71,010
15. Cash and bank balances		
Cash at banks		
-Deposit accounts	3,834	4,720
-Current accounts - note 15.1	4,246,518	17,934,175
	4,250,352	17,938,895

15.1 These include balances of Rs 2,380,472 thousand (December 31, 2023 : Rs 2,041,856 thousand) held in foreign currency accounts.

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
16. Trade and other payables		
These include following balances due to related parties:		
Holding company / associated companies	14,974,402	15,425,903
Employees' retirement benefit plans	305,898	363,443

17. Finance lease obligation

This represents lease agreements entered into with a leasing company for vehicles and IFRS 16 leases. Total lease rentals due under various lease agreements aggregate to Rs 3,857,166 thousand - short term Rs 984,420 thousand and long term Rs 2,872,736 thousand (December 31, 2023: Rs 3,422,042 thousand - short term Rs 852,765 thousand and long term Rs 2,569,277 thousand) and are payable in equal monthly instalments latest by March 2029. Taxes, repairs, replacement and insurance costs are to be borne by the Company. Financing rates of 11% to 23% (December 31, 2023: 11% to 23%) per annum have been used as discounting factor.

As per IFRS 16 all rental facilities of the Company with lease terms greater than one year have been capitalised as leased assets. When measuring the lease liabilities for leases that were capitalised during the period, the Company discounted lease payments using an estimated incremental borrowing rate and recorded lease obligation of Rs 814,181 thousand (December 31, 2023: Rs 1,890,236 thousand) during the period.

18. Short term running finance

Short term finance facilities available under mark-up arrangements with banks amount to Rs 6,500 million (December 31, 2023: Rs 6,500 million), out of which the amount unavailed at the period end was Rs 6,499 million (December 31, 2023: Rs 6,500 million). These facilities are secured by hypothecation of stock-in-trade and plant and machinery amounting to Rs 7,222 million (December 31, 2023: Rs 7,222 million). The mark-up ranges between 22.14% and 21.41% (December 31, 2023: 16.53% and 22.97%) per annum and is payable quarterly. The facilities are renewable on annual basis.

19. Share capital

Authorised share capital of the Company is Rs 3,000,000 thousand (December 31, 2023: Rs 3,000,000 thousand) divided into 300,000,000 ordinary shares of Rs 10 each. Issued, subscribed and paid up capital of the Company is Rs 2,554,938 thousand (December 31, 2023: Rs 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs 10 each.

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
20. Contingencies and commitments		
20.1 Contingencies		
Claims and guarantees		
(i) Claims against the Company not acknowledged as debt	3,024	3,024
(ii) Guarantees issued by banks on behalf of the Company	1,128,853	1,020,274

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
20.2 Commitments		
(i) Capital expenditure commitments outstanding	792,549	-
(ii) Letters of credit outstanding	8,802,785	8,897,592
(iii) Post dated cheques to collector of customs	6,423,688	6,423,688
	<u>Three months ended</u>	
	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
21 Cash generated from operations		
Profit before income tax	8,819,350	9,812,329
Adjustment for non-cash items:		
- Depreciation	597,892	501,582
- (Gain)/loss on disposal of property, plant and equipment	(95,196)	(100,663)
- Finance cost	183,824	122,627
- Finance income	(1,719,215)	(1,254,403)
- Forex (gain)/loss	137,073	940,686
- Provision for employee benefits	120,695	109,885
- Provision / (reversal) damaged stock	-	6,985
- Information technology cost	754,979	-
	(19,948)	326,699
Changes in working capital:		
- Stock-in-trade	2,262,557	(5,098)
- Stores and spares	(96,575)	(8,974)
- Trade debts	2,684,294	1,120
- Loans and advances	(771,977)	(347,021)
- Short term prepayments	(31,309)	(28,659)
- Other receivables	49,458	649,059
- Trade and other payables	7,101,694	3,564,120
- Other liabilities	(203,652)	(288,112)
	10,994,490	3,536,435
Changes in long term deposits and prepayments	(500)	-
	19,793,392	13,675,463

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

22. Financial instruments

22.1 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
		Loans and receivables	Other financial liabilities	Loans and receivables	Other financial liabilities
		Rs. '000		Rs. '000	
Financial assets measured at fair value					
Short term investments		43,146,461	-	14,557,699	-
Financial assets not measured at fair value					
Deposits		42,895	-	42,395	-
Trade debts		3,427	-	2,687,721	-
Other receivables	14	3,056,566	-	3,092,419	-
Cash and bank balances	15	4,250,352	-	17,938,895	-
		50,499,701	-	38,319,129	-
Financial liabilities measured at fair value					
Financial liabilities not measured at fair value					
Trade and other payables	16	-	(27,691,099)	-	(27,953,214)
Other liabilities		-	(1,885,538)	-	(2,089,190)
Lease liability	17	-	(3,857,166)	-	(3,422,042)
Short term running finance	18	-	(541)	-	-
Unpaid dividend		-	(7,079,767)	-	(8,141,160)
Unclaimed dividend		-	(103,662)	-	(105,081)
		-	(40,617,773)	-	(41,710,687)

The Company has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or reprice over short-term. Therefore, the carrying amounts are reasonable approximation of their values.

22.2 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2023.

Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

23. Transactions with related parties

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Purchase of goods and services		
Holding company	6,456	30,973
Associated companies	611,474	328,579
Sale of goods and services		
Associated companies	1,102,061	1,251,668
Royalty charge		
Holding company / associated companies	-	175,136
Contribution to retirement benefit plans by the Company		
Staff defined contribution pension fund	52,451	42,350
Staff pension fund	8,558	7,245
Employee gratuity fund	30,342	34,883
Management provident fund	24,415	20,869
Employee provident fund	4,929	4,538

23.1 The transactions with related parties as mentioned above are exclusive of the information technology services related costs of Rs. 754,979 thousand waived off by the Holding Company, which has been recognised in equity as capital reserve.

24. Date of authorisation

This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on April 24, 2024.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

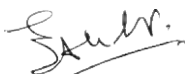
**Consolidated Condensed
Interim Financial Statements**
for the three months period ended March 31, 2024

Consolidated Condensed Interim Statement of Profit or Loss (Unaudited)

for the three months period ended March 31, 2024

	Note	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Domestic turnover		73,096,105	57,490,336
Export turnover		1,051,187	1,230,848
Gross turnover		74,147,292	58,721,184
Excise duties		(38,724,816)	(27,284,075)
Sales tax		(11,518,088)	(8,853,216)
Net turnover		23,904,388	22,583,893
Cost of sales	7	(13,183,585)	(9,632,469)
Gross profit		10,720,803	12,951,424
Selling and distribution costs		(1,542,509)	(1,387,060)
Administrative expenses		(1,355,621)	(1,302,092)
Other operating expenses	8	(634,781)	(1,683,677)
Other income	9	96,067	101,958
		(3,436,844)	(4,270,871)
Operating profit		7,283,959	8,680,553
Finance income	10	1,719,215	1,254,403
Finance cost		(183,824)	(122,627)
Net finance income		1,535,391	1,131,776
Profit before income tax		8,819,350	9,812,329
Income tax expense - current		(3,633,157)	(2,993,507)
- deferred		(48,353)	(74,898)
		(3,681,510)	(3,068,405)
Profit for the period		5,137,840	6,743,924
Earnings per share - basic and diluted (Rupees)		20.11	26.40

The annexed notes 1 to 23 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

for the three months period ended March 31, 2024

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Profit for the three months	5,137,840	6,743,924
Other comprehensive income for the three months	-	-
Total comprehensive income for the three months	5,137,840	6,743,924

The annexed notes 1 to 23 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Financial Position (Unaudited)

as at March 31, 2024

	Note	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
Non current assets			
Property, plant and equipment	11	22,911,289	21,696,826
Advance for capital expenditure		890,021	1,346,732
Long term deposits and prepayments		42,895	42,395
		23,844,205	23,085,953
Current assets			
Stock-in-trade		44,409,744	46,672,301
Stores and spares		727,564	630,989
Trade debts		3,427	2,687,721
Loans and advances	12	1,418,396	646,419
Short term prepayments		252,025	220,716
Other receivables	13	3,093,950	3,143,408
Short term investments		43,146,461	14,557,699
Cash and bank balances	14	4,250,352	17,938,895
		97,301,919	86,498,148
Current liabilities			
Trade and other payables	15	46,311,607	39,130,385
Other liabilities		1,885,538	2,089,190
Lease liability	16	984,430	852,765
Short term running finance	17	541	-
Unpaid dividend		7,079,767	8,141,160
Unclaimed dividend		103,662	105,081
Current income tax liability		2,556,379	3,285,951
		58,921,924	53,604,532
Net current assets		38,379,995	32,893,616
Non current liabilities			
Lease liability	16	(2,872,736)	(2,569,277)
Deferred income tax liability		(2,143,472)	(2,095,119)
		(5,016,208)	(4,664,396)
Net assets		57,207,992	51,315,173
Share capital and reserves			
Share capital	18	2,554,938	2,554,938
Capital reserve		4,797,183	4,042,204
Revenue reserve - Unappropriated profit		49,855,871	44,718,031
Shareholders' equity		57,207,992	51,315,173
Contingencies and commitments	19		

The annexed notes 1 to 23 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer




Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

as at March 31, 2024

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
Balance at January 1, 2023	2,554,938	24,069,389	-	26,624,327
Total comprehensive income for the three months period	-	6,743,924	-	6,743,924
Balance at March 31, 2023	2,554,938	30,813,313	-	33,368,251
Balance at January 1, 2024	2,554,938	44,718,031	4,042,204	51,315,173
Total comprehensive income for the three months period	-	5,137,840	754,979	5,892,819
Balance at March 31, 2024	2,554,938	49,855,871	4,797,183	57,207,992

The annexed notes 1 to 23 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Cash Flows (Unaudited)

for the three months period ended March 31, 2024

	Note	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Cash flows from operating activities			
Cash generated from operations	20	19,793,392	13,675,463
Income tax paid		(4,362,729)	(3,067,661)
Finance cost paid		-	(20,139)
Contribution to retirement benefit funds		(164,635)	(90,595)
Net cash generated from operating activities		15,266,028	10,497,068
Cash flows from investing activities			
Purchases of property, plant and equipment		(866,454)	(1,261,350)
Advances for capital expenditure		456,711	(30,395)
Proceeds from sale of property, plant and equipment		144,783	145,675
Interest received		1,719,215	1,254,403
Net cash generated from investing activities		1,454,255	108,333
Cash flows from financing activities			
Dividends paid		(1,062,812)	(2,246)
Finance lease payments		(757,252)	(317,635)
Net cash used in financing activities		(1,820,064)	(319,881)
Net increase in cash and cash equivalents		14,900,219	10,285,520
Cash and cash equivalents at January 1		32,496,594	23,400,907
Cash and cash equivalents at March 31		47,396,813	33,686,427
Cash and cash equivalents comprise:			
Cash and bank balances	14	4,250,352	2,206,881
Short term investments		43,146,461	31,479,546
		47,396,813	33,686,427

The annexed notes 1 to 23 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

1. The Group and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and/or sale of cigarettes, raw and semi-finished tobacco, tobacco free nicotine pouches and vaping products.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

Phoenix (Private) Limited (PPL) is a private limited company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance, 1984. The registered office of PPL is situated at Bun Khurma, Chichian Road, Mirpur, Azad Jamu and Kashmir. The object for which the PPL has been incorporated is to operate and manage an industrial undertaking in Azad Jammu and Kashmir to deal in Tobacco products. PPL is dormant and has not commenced its commercial operations.

For the purpose of these consolidated financial statements, the Company and its wholly owned subsidiary PPL is referred to as the Group.

2. Statement of compliance

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Basis of preparation

These consolidated condensed interim financial statements should be read in conjunction with the Group's latest annual financial statements as at and for the year ended December 31, 2023 ('last annual financial statements'). These consolidated condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Comparative figures of consolidated condensed interim statement of financial position are extracted from the annual financial statements as of December 31, 2023 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the three months period ended March 31, 2023.

These consolidated condensed interim financial statements are un-audited and are being submitted to the members of the Company as required under Section 237 of the Companies Act, 2017, and the listing regulations of the Pakistan Stock Exchange.

4. Use of judgements and estimates

In preparing these consolidated condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2023.

6. Standards issued but not effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 01, 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards.

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
7. Cost of sales		
Raw materials consumed		
Opening stock of raw materials and work in process	43,673,169	21,904,030
Raw material purchases and expenses	8,940,296	7,495,808
Closing stock of raw materials and work in process	(41,037,014)	(19,862,087)
	11,576,451	9,537,751
Excise duty, customs/regulatory duty and tobacco development cess	353,312	725,458
Royalty	-	175,136
Production overheads	1,485,484	1,174,978
Cost of goods manufactured	13,415,247	11,613,323
Cost of finished goods:		
Opening stock	3,141,068	3,130,588
Closing stock	(3,372,730)	(5,111,442)
	(231,662)	(1,980,854)
	13,183,585	9,632,469
8. Other operating expenses		
Workers' Profit Participation Fund	294,014	526,978
Workers' Welfare Fund	185,323	200,252
Bank charges and fees	18,371	15,761
Foreign exchange loss	137,073	940,686
	634,781	1,683,677

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

	Jan - Mar 2024 Rs. '000	Jan -Mar 2023 Rs. '000
9. Other income		
Gain on disposal of property, plant and equipment	95,196	100,663
Others	871	1,295
	96,067	101,958
10 Finance income		
This includes profit from placement with banks in saving account and treasury bills earned under interest arrangement. The interest rates range between 19.20% and 21.75% (three months ended March 31, 2023 : 12.25% and 19.18%) per annum and is received on maturity.		
	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
11. Property, plant and equipment		
Operating fixed assets - note 11.1	19,574,700	19,033,213
Capital work in progress - note 11.2	3,336,589	2,663,613
	22,911,289	21,696,826
11.1 Operating fixed assets		
Carrying amount at January 01	19,033,213	15,759,587
Additions during the three months period / year		
Owned Assets		
Buildings on free hold land	193,478	101,575
Plant and machinery	-	2,235,711
Office and household equipment	-	346,535
Furniture and fittings	-	38,788
Vehicles	-	9,132
Right of use assets	814,181	1,890,236
Leased Assets		
Vehicles	181,307	955,959
	1,188,966	5,577,936
Disposals during the three months period / year (net book value):		
Buildings on free hold land	-	-
Plant and machinery	-	(969)
Office and household equipment	-	(2,688)
Furniture and fittings	-	(372)
Vehicles	-	-
	-	(4,029)
Right of use assets	-	-
Leased Assets		
Vehicles	(49,587)	(147,317)
Depreciation/impairment charge for the three months period/year	(597,892)	(2,152,964)
Net book amount	19,574,700	19,033,213

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

- 11.1.1** During the three months period ended March 31, 2024, the Company acquired assets, including transfers from capital work in progress, with a cost of Rs 1,188,966 thousand (three months period ended March 31, 2023: Rs 1,529,229 thousand). Operating fixed assets having net book value of Rs 49,587 thousand were disposed off during three months period ended March 31, 2024 (three months period ended March 31, 2023: Rs. 45,012 thousand). Depreciation/impairment charge for three months period ended March 31, 2024 was Rs. 597,892 thousand (three months period ended March 31, 2023: Rs. 501,582 thousand).

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
11.2 Capital work in progress		
Carrying amount as at the beginning of the period/year	2,663,613	1,067,401
Additions during the three months/year	672,976	2,431,467
	3,336,589	3,498,868
Transferred to operating fixed assets	-	(835,255)
Carrying amount as at end of the period/year	3,336,589	2,663,613

12. Loans and advances

These include non interest bearing advances to employees of Rs 32,537 thousand (December 31, 2023 : Rs 26,735 thousand)

13. Other receivables

These include following balances due from related parties:

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
Holding company / associated companies	780,783	2,498,670
Employees' retirement benefit plans	57,405	71,010

14. Cash and bank balances

Cash at banks		
-Deposit accounts	3,834	4,720
-Current accounts - note 14.1	4,246,518	17,934,175
	4,250,352	17,938,895

- 14.1** These include balances of Rs 2,380,472 thousand (December 31, 2023 : Rs 2,041,856 thousand) held in foreign currency accounts.

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
15. Trade and other payables		
These include following balances due to related parties:		
Holding company / associated companies	14,974,402	15,425,903
Employees' retirement benefit plans	305,898	363,443
16. Finance lease obligation		
<p>This represents lease agreements entered into with a leasing company for vehicles and IFRS 16 leases. Total lease rentals due under various lease agreements aggregate to Rs 3,857,166 thousand - short term Rs 984,420 thousand and long term Rs 2,872,736 thousand (December 31, 2023: Rs 3,422,042 thousand - short term Rs 852,765 thousand and long term Rs 2,569,277 thousand) and are payable in equal monthly instalments latest by March 2029. Taxes, repairs, replacement and insurance costs are to be borne by the Company. Financing rates of 11% to 23% (December 31, 2023: 11% to 23%) per annum have been used as discounting factor.</p> <p>As per IFRS 16 all rental facilities of the Company with lease terms greater than one year have been capitalised as leased assets. When measuring the lease liabilities for leases that were capitalised during the period, the Company discounted lease payments using an estimated incremental borrowing rate and recorded lease obligation of Rs 814,181 thousand (December 31, 2023: Rs 1,890,236 thousand) during the period.</p>		
17. Short term running finance		
<p>Short term finance facilities available under mark-up arrangements with banks amount to Rs 6,500 million (December 31, 2023: Rs 6,500 million), out of which the amount unavailed at the period end was Rs 6,499 million (December 31, 2023: Rs 6,500 million). These facilities are secured by hypothecation of stock-in-trade and plant and machinery amounting to Rs 7,222 million (December 31, 2023: Rs 7,222 million). The mark-up ranges between 22.14% and 21.41% (December 31, 2023: 16.53% and 22.97%) per annum and is payable quarterly. The facilities are renewable on annual basis.</p>		
18. Share capital		
<p>Authorised share capital of the Company is Rs 3,000,000 thousand (December 31, 2023: Rs 3,000,000 thousand) divided into 300,000,000 ordinary shares of Rs 10 each. Issued, subscribed and paid up capital of the Company is Rs 2,554,938 thousand (December 31, 2023: Rs 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs 10 each.</p>		
	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
19. Contingencies and commitments		
19.1 Contingencies		
Claims and guarantees		
(i) Claims against the Company not acknowledged as debt	3,024	3,024
(ii) Guarantees issued by banks on behalf of the Company	1,128,853	1,020,274

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

	March 31, 2024 (Unaudited) Rs. '000	December 31, 2023 (Audited) Rs. '000
19.2 Commitments		
(i) Capital expenditure commitments outstanding	792,549	-
(ii) Letters of credit outstanding	8,802,785	8,897,592
(iii) Post dated cheques to collector of customs	6,423,688	6,423,688
	<u>Three months ended</u>	
	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
20 Cash generated from operations		
Profit before income tax	8,819,350	9,812,329
Adjustment for non-cash items:		
- Depreciation	597,892	501,582
- (Gain)/loss on disposal of property, plant and equipment	(95,196)	(100,663)
- Finance cost	183,824	122,627
- Finance income	(1,719,215)	(1,254,403)
- Forex (gain)/loss	137,073	940,686
- Provision for employee benefits	120,695	109,885
- Provision / (reversal) damaged stock	-	6,985
- Information technology cost	754,979	-
	(19,948)	326,699
Changes in working capital:		
- Stock-in-trade	2,262,557	(5,098)
- Stores and spares	(96,575)	(8,974)
- Trade debts	2,684,294	1,120
- Loans and advances	(771,977)	(347,021)
- Short term prepayments	(31,309)	(28,659)
- Other receivables	49,458	649,059
- Trade and other payables	7,101,694	3,564,120
- Other liabilities	(203,652)	(288,112)
	10,994,490	3,536,435
Changes in long term deposits and prepayments	(500)	-
	19,793,392	13,675,463

Selected Notes to the Consolidated Condensed Interim Financial Statements (Unaudited) for the three months period ended March 31, 2024

21. Financial instruments

21.1 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)			
	Loans and receivables	Other financial liabilities	Total	Loans and receivables	Other financial liabilities	Total
	Rs. '000		Rs. '000		Rs. '000	
Financial assets measured at fair value						
Short term investments	43,146,461	-	43,146,461	14,557,699	-	14,557,699
Financial assets not measured at fair value						
Deposits	42,895	-	42,895	42,395	-	42,395
Trade debts	3,427	-	3,427	2,687,721	-	2,687,721
Other receivables	3,036,545	-	3,036,545	3,072,398	-	3,072,398
Cash and bank balances	4,250,352	-	4,250,352	17,938,895	-	17,938,895
	50,479,680	-	50,479,680	38,299,108	-	38,299,108
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	-	-	-
Other liabilities	-	(27,691,126)	(27,691,126)	-	(27,953,241)	(27,953,241)
Lease liability	-	(1,885,538)	(1,885,538)	-	(2,089,190)	(2,089,190)
Short term running finance	-	(3,857,166)	(3,857,166)	-	(3,422,042)	(3,422,042)
Unpaid dividend	-	(541)	(541)	-	-	-
Unclaimed dividend	-	(7,079,767)	(7,079,767)	-	(8,141,160)	(8,141,160)
	-	(103,662)	(103,662)	-	(105,081)	(105,081)
	-	(40,617,800)	(40,617,800)	-	(41,710,714)	(41,710,714)

The Group has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or reprice over short-term. Therefore, the carrying amounts are reasonable approximation of their values.

21.2 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2023.

Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2024

22. Transactions with related parties

	Jan - Mar 2024 Rs. '000	Jan - Mar 2023 Rs. '000
Purchase of goods and services		
Holding company	6,456	30,973
Associated companies	611,474	328,579
Sale of goods and services		
Associated companies	1,102,061	1,251,668
Royalty charge		
Holding company / associated companies	-	175,136
Contribution to retirement benefit plans by the Company		
Staff defined contribution pension fund	52,451	42,350
Staff pension fund	8,558	7,245
Employee gratuity fund	30,342	34,883
Management provident fund	24,415	20,869
Employee provident fund	4,929	4,538

22.1 The transactions with related parties as mentioned above are exclusive of the information technology services related costs of Rs. 754,979 thousand waived off by the Holding Company, which has been recognised in equity as capital reserve.

23. Date of authorisation

This consolidated condensed interim financial information has been authorised for issue by the Board of Directors of the Group on April 24, 2024.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director



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