



Philip Morris
(Pakistan) Limited

Leading Transformation

FOR THE SIX MONTHS
PERIOD ENDED JUNE 30, 2024





Table of Contents

Company Information	02
Directors' Report (English)	03
Directors' Report (Urdu)	05
Independent Auditor's Review Report	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	09
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flow	11
Notes to the Condensed Interim Financial Statements	12

Company Information

BOARD OF DIRECTORS

SARAFARZ AHMED REHMAN
ROMAN YAZBECK
ALIREZA TAKESH
MUHAMMAD ZEESHAN
PATTARAPORN AUTTAPHON
PETER CALON
MIRZA REHAN BAIG
JUNAID IQBAL

(Until July 31, 2024)
(From August 1, 2024)

(Chairman)
(Chief Executive)
(Chief Executive)

COMPANY SECRETARY

SANA ENAIT HASHMI

AUDIT COMMITTEE

MIRZA REHAN BAIG
PATTARAPORN AUTTAPHON
PETER CALON
SANA ENAIT HASHMI

(Chairman)

(Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE

SARFARAZ AHMED REHMAN
ROMAN YAZBECK
JAY RAMOS

(Until July 31, 2024)

(Chairman)

(Secretary)

AUDITORS

A. F. FERGUSON & CO.
Chartered Accountants

BANKERS

UNITED BANK LIMITED
STANDARD CHARTERED BANK PAKISTAN LIMITED
MCB BANK LIMITED
HABIB BANK LIMITED
CITI BANK N.A.
DEUTSCHE BANK A.G.
FAYSAL BANK LIMITED
HABIBMETRO BANK
BANK OF CHINA
BANK OF KHYBER

LEGAL ADVISOR

IJAZ AHMED & ASSOCIATES

REGISTERED OFFICE

OFFICE 04 & 05, 5TH FLOOR,
CORPORATE OFFICE BLOCK,
DOLMEN CITY, PLOT HC-3, BLOCK-4,
CLIFTON, KARACHI-75600

FACTORIES

1. G.T ROAD, QUADIRABAD, DISTRICT: SAHIWAL (PUNJAB)
2. LEAF DIVISION COMPLEX, 22ND KM, MARDAN SWABI ROAD, MARDAN (KPK)

SHARE REGISTRAR

CDC SHARE REGISTRAR SERVICES LIMITED
CDC HOUSE, 99-B, BLOCK-B, S.M.C.H.S.,
MAIN SHAHRAH-E-FAISAL, KARACHI -74400

Website : <http://philipmorriskpakistan.com.pk>
Email : pmpk.info@pmi.com Email : pmpk.info@pmi

Directors' Report

FOR THE HALF YEAR ENDED JUNE 30, 2024

Pakistan's economy has shown some signs of recovery in terms of improved current account balance, stable exchange rate, slight reduction in the interest rates, and the consumer price index. However, as per the recent World Bank estimates¹, the economic activity is expected to remain subdued, reflecting continued tight macroeconomic policy, import controls, high inflation, and continued policy uncertainty.

Despite the above-mentioned signs of recovery, Pakistan is still going through challenging economic conditions. Pakistan reached staff level agreement on a 37-month Extended Fund Facility Arrangement (EFF) of about USD 7 billion with the International Monetary Fund ("IMF"), (subject to approval by IMF's Executive Board)², however, the success of the IMF program depends on how thoughtfully the Government utilizes the funds. As per media reports, the IMF has emphasized the need to address the issue of the high incidence of general illicit trade in Pakistan as a condition for financial support. Furthermore, according to a recent IPSOS report³, the estimated loss to the Government from just the non-tax-paid illicit tobacco trade is PKR 300 billion in tax revenues. Therefore, we believe that addressing rampant smuggling and tax evasion in the tobacco trade should be prioritized over increasing taxes. The Government should enforce its laws and policies, including the Track and Trace system, more rigorously to curb illicit trade which will help generate additional Government revenue.

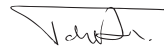
During the half year ended June 30, 2024, Philip Morris Pakistan Limited (the "Company") reported a Total Net Turnover of PKR 12,936 million reflecting an increase of 43% vs. the same period last year primarily reflecting the export turnover of PKR 4,431 million, an increase of 58% vs. the same period last year while the domestic Net Turnover of PKR 8,505 million reflects an increase of 36% vs. prior year. Furthermore, the Company recorded a profit of PKR 534 million for the six months ended June 30, 2024, vs. PKR 371 million in the same period prior year. For the first six months of the current fiscal year (January – June 2024), the Company has contributed PKR 23,517 million to the National Exchequer which was higher by 62% vs. the previous period. Moreover, for the fiscal year July 2023 – June 2024, the Company has contributed PKR 47,083 million to the National Exchequer, which is an increase of 60.3% vs. the previous period.

The tax-paying tobacco industry is facing the repercussions of deteriorating economic conditions, including heightened interest rates, inflated business expenses, and increased energy tariffs, coupled with the presence of non-tax-paying illicit tobacco trade. The Company remains committed to vigilantly monitoring market dynamics and striving to effectively manage operations amidst these challenging circumstances.

On behalf of the Board of Directors.



SARFARAZ AHMED REHMAN
Chairman (Board of the Directors)



ALIREZA TAKESH
Chief Executive Officer

Karachi, August 22, 2024

1. Pakistan Overview: Development news, research, data | World Bank
2. IMF Press Release No 24/273
3. Pakistan Cigarette Market Assessment 2024 dated May 2024

ڈائریکٹرز رپورٹ

برائے ششماہی ختم ۳۰ جون ۲۰۲۳ء

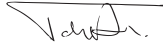
پاکستان کی معیشت میں جاری کھاتے کے توازن، مستحکم شرح مبادلہ اور شرح سود میں کمی حد تک کمی کے ساتھ افراط زر میں کمی کی شکل میں بحالی کے اشارے نظر آ رہے ہیں تاہم عالمی بینک کے تخمینوں کے مطابق پاکستان کی معیشت پر دباؤ برقرار رہنے کا امکان ہے جس سے ظاہر ہوتا ہے کہ سخت میکرو اکنامک پالیسی، درآمدات پر کنٹرول، بلند افراط زر اور پالیسی سے متعلق بے یقینی جاری رہے گی۔

معاشی بحالی کے درج بالا اشاروں کے باوجود پاکستان اب بھی سخت معاشی حالات سے نبرد آزما ہے۔ پاکستان آئی ایم ایف کے ساتھ 37 ماہ کی مدت کے 7 ارب ڈالر کے ایکسیڈنڈ فنڈنگ لیٹیو انجمنٹ کے لیے اسٹاف لیول معاہدے تک پہنچ چکا ہے (جو آئی ایم ایف کے ایگزیکٹو بورڈ کی منظوری سے شروع ہے) تاہم آئی ایم ایف پروگرام کی کامیابی کا انحصار حکومت کے ان فنڈز کے بہتر طریقے سے خرچ کیے جانے پر ہوگا۔ میڈیا رپورٹس کے مطابق آئی ایم ایف نے مالی معاہدے کو پاکستان میں غیر قانونی تجارت کے بڑے مسئلے سے حل سے شروع کیا ہے۔ مزید برآں IPSOS کی رپورٹ کے مطابق حکومت کو صرف ٹیکس ادا کی گئی کے بغیر سگریٹ کی غیر قانونی تجارت سے سالانہ 300 ارب روپے کا نقصان پہنچ رہا ہے اس لیے ہمیں یقین ہے کہ ٹیکس وصولی میں اضافہ کے لیے حکومت کو سگریٹ کی اسمگلنگ اور ٹیکس چوری کر کے فروخت ہونے والی سگریٹ کے تدارک کو ترجیح دینا ہوگی۔ حکومت غیر قانونی تجارت کی روک تھام کے لیے سخت اقدامات کرتے ہوئے قوانین اور پالیسیوں بشمول ٹریک اینڈ ٹریس سسٹم پر سختی سے عمل درآمد کرنا ہوگا تاکہ اضافی ریونیو اکٹھا کیا جاسکے۔

۳۰ جون ۲۰۲۳ کو ختم ہونے والی ششماہی میں فلپ مورس پاکستان لمیٹڈ (دی کمپنی) کی مجموعی آمدن (خرن اور) 12 ارب 93 کروڑ 60 لاکھ روپے ریکارڈ کی گئی جو گزشتہ مالی سال کی اسی مدت کے خرن اور سے 43 فیصد زائد رہی، ایکسپورٹ میں ہونے والے 58 فیصد کے نمایاں اضافہ نے مجموعی خرن اور بڑھانے میں اہم کردار ادا کیا ایکسپورٹ کی مالیت 4 ارب 43 کروڑ 10 لاکھ روپے رہی جبکہ مقامی مارکیٹ میں فروخت سے حاصل آمدن گزشتہ سال کی اسی مدت کے مقابلے میں 36 فیصد اضافے سے 8 ارب 50 کروڑ 50 لاکھ روپے ریکارڈ کی گئی۔ کمپنی نے ۳۰ جون ۲۰۲۳ کو ختم ہونے والی ششماہی میں 53 کروڑ 40 لاکھ روپے کا منافع حاصل کیا جبکہ گزشتہ مالی سال کی اسی مدت کا منافع 37 کروڑ 10 لاکھ روپے رہا تھا۔ رواں سال کے پہلے چھ ماہ (جنوری تا جون ۲۰۲۳) کے دوران کمپنی نے ٹیکسوں اور محصولات کی شکل میں قومی خزانے میں 23 ارب 51 کروڑ 70 لاکھ روپے جمع کرائے جو گزشتہ سال کی اسی مدت کے مقابلے میں 62 فیصد زائد ہے۔ اس کے علاوہ مالی سال ۲۰۲۳-۲۰۲۳ کے دوران کمپنی نے قومی خزانے میں 47 ارب روپے 8 کروڑ 30 لاکھ روپے جمع کرائے جو اس سے گزشتہ مالی سال کے مقابلے میں 60.3 فیصد زائد تھے۔

لیکن ادا کرنے والی قانونی صنعت سخت معاشی حالات کے اثرات سے نہرو آزماتے جن میں بلند شرح سود، کاروباری اخراجات میں اضافہ اور توانائی کی بلند قیمتیں اور ان سب کے ساتھ ٹیکس ادا کیے بغیر سگریٹ کی فروخت کی موجودگی جیسے عوامل شامل ہیں۔ کمپنی مارکیٹ کے حالات پر مستعدی سے نظر رکھنے کے لیے پرعزم ہے اور ان مشکل حالات میں آپریشنز کو موثر انداز میں چلانے کے لیے کوشاں ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



علی تاش

چیف ایگزیکٹو آفیسر



سرفراز احمد رحمان

چیئرمین بورڈ آف ڈائریکٹرز

کراچی، ۲۲ اگست ۲۰۲۳

1. پاکستان کا جائزہ: ترقیاتی خبریں، تحقیق، ڈیٹا ورلڈ بینک

2. آئی ایم ایف پریس ریلیز نمبر 24/273

3. پاکستان سگریٹ مارکیٹ اسسمنٹ 2024 مورخہ مئی 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Philip Morris (Pakistan) Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Philip Morris (Pakistan) Limited as at June 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2024.

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 condensed interim financial statements 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 condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Osama Moon.

A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: August 28, 2024


UDIN: RR202410056u7gmSBV2R


PHILIP MORRIS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

		June 30,	December 31,
		2024	2023
		(Un-audited)	(Audited)
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
	Note		
Fixed Assets			
- Property, plant and equipment	5	6,157,620	5,251,337
- Right-of-use assets		295,205	322,396
- Intangibles		16,614	3,604
		<u>6,469,439</u>	<u>5,577,337</u>
Investment in a subsidiary company	6	1	1
Long term deposits		73,582	73,582
Deferred taxation		269,526	144,269
		<u>6,812,548</u>	<u>5,795,189</u>
CURRENT ASSETS			
Stores and spares - net		263,955	215,791
Stock in trade - net	7	7,129,820	12,033,405
Trade debts - net	8	380,874	-
Advances	9	186,786	287,937
Prepayments		24,176	62,139
Other receivables	10	2,927,172	2,164,436
Income tax - net		693,159	876,658
Staff retirement benefits		34,724	34,724
Sales tax and excise duty adjustable		705,700	-
Short term investments	11	2,377,754	-
Cash and bank balances		6,595,330	9,062,895
		<u>21,319,450</u>	<u>24,737,985</u>
Non-current assets held for sale / disposal	12	-	1,600
TOTAL CURRENT ASSETS		<u>21,319,450</u>	<u>24,739,585</u>
TOTAL ASSETS		<u>28,131,998</u>	<u>30,534,774</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		12,000,000	12,000,000
Issued, subscribed and paid-up capital			
- Ordinary shares		615,803	615,803
- Preference shares		10,464,000	10,464,000
		<u>11,079,803</u>	<u>11,079,803</u>
Transaction cost on issuance of preference shares - net of tax		(33,911)	(33,911)
		<u>11,045,892</u>	<u>11,045,892</u>
Reserves		5,084,132	4,548,931
TOTAL EQUITY		<u>16,130,024</u>	<u>15,594,823</u>
NON-CURRENT LIABILITIES			
Lease liabilities		245,999	265,035
CURRENT LIABILITIES			
Trade and other payables	13	11,565,009	13,504,425
Current maturity of lease liabilities		99,719	92,186
Unclaimed dividend		37,125	37,128
Unpaid dividend		54,122	54,122
Sales tax and excise duty payable		-	987,055
		<u>11,755,975</u>	<u>14,674,916</u>
TOTAL CURRENT LIABILITIES		<u>11,755,975</u>	<u>14,674,916</u>
TOTAL LIABILITIES		<u>12,001,974</u>	<u>14,939,951</u>
TOTAL EQUITY AND LIABILITIES		<u>28,131,998</u>	<u>30,534,774</u>
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

08 
Sarfaraz Ahmed Rehman
Chairman / Director


Aaireza Takesh
Chief Executive Officer


Muhammad Zeeshan
Chief Financial Officer

PHILIP MORRIS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)


FOR THE QUARTER AND SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	Quarter ended		Six months period ended	
		June 30, 2024	June 30, 2023 (Restated)	June 30, 2024	June 30, 2023 (Restated)
----- (Rupees in thousand) -----					
Turnover - net	15	4,308,023	3,237,719	12,936,100	9,059,594
Cost of sales	16	3,884,628	2,172,426	11,340,504	5,677,790
Gross profit		423,395	1,065,293	1,595,596	3,381,804
Distribution and marketing expenses		1,566,869	888,976	3,072,235	1,762,013
Administrative expenses		509,318	448,854	965,055	825,922
Other expenses	17	95,191	91,882	152,287	992,061
Other income	18	(2,193,005)	(614,582)	(3,737,613)	(1,061,183)
		(21,627)	815,130	451,964	2,518,813
Operating profit		445,022	250,163	1,143,632	862,991
Finance cost and bank charges		50,896	17,432	84,239	31,577
Profit before taxation and levy		394,126	232,731	1,059,393	831,414
Levy	2.4 & 19	103,218	17,406	168,248	28,352
Profit before taxation		290,908	215,325	891,145	803,062
Taxation	19	194,655	223,166	356,845	431,561
Profit / (loss) after taxation		96,253	(7,841)	534,300	371,501
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		96,253	(7,841)	534,300	371,501
----- (Rupees) -----					
Earnings / (loss) per share					
- Basic	20	1.56	(0.13)	8.68	6.03
- Diluted	20	1.21	Note 20.3	6.72	4.34

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Sarfaraz Ahmed Rehman
Chairman / Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

PHILIP MORRIS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

Issued, subscribed and paid-up capital		Transaction cost on issuance of preference shares - net of tax	Reserves					Subtotal Reserves	Total
Ordinary shares	Preference shares		Capital Reserves		General reserves	Revenue Reserves			
			Reserve for share based payments	Remeasurement of staff retirement benefits plan - net of tax	Subtotal Capital Reserves		Unappropriated profit	Subtotal Revenue Reserves	

(Rupees in thousand)

Balance as at January 1, 2023	615,803	10,464,000	(33,911)	57,717	(236,118)	(178,401)	3,328,327	1,038,906	4,367,233	4,188,832	15,234,724
Share based payments - expense	-	-	-	50,317	-	50,317	-	-	-	50,317	50,317
- recharge	-	-	-	(63,095)	-	(63,095)	-	-	-	(63,095)	(63,095)
Total comprehensive income	-	-	-	(12,778)	-	(12,778)	-	-	-	(12,778)	(12,778)
Profit after taxation for the six months period ended June 30, 2023	-	-	-	-	-	-	-	371,501	371,501	371,501	371,501
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	<u>615,803</u>	<u>10,464,000</u>	<u>(33,911)</u>	<u>44,939</u>	<u>(236,118)</u>	<u>(191,179)</u>	<u>3,328,327</u>	<u>1,410,407</u>	<u>4,738,734</u>	<u>4,547,555</u>	<u>15,593,447</u>
Balance as at January 1, 2024	615,803	10,464,000	(33,911)	94,153	(292,256)	(198,103)	3,328,327	1,418,707	4,747,034	4,548,931	15,594,823
Share based payments - expense	-	-	-	80,752	-	80,752	-	-	-	80,752	80,752
- recharge	-	-	-	(79,851)	-	(79,851)	-	-	-	(79,851)	(79,851)
Total comprehensive income	-	-	-	901	-	901	-	-	-	901	901
Profit after taxation for the six months period ended June 30, 2024	-	-	-	-	-	-	-	534,300	534,300	534,300	534,300
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2024	<u>615,803</u>	<u>10,464,000</u>	<u>(33,911)</u>	<u>95,054</u>	<u>(292,256)</u>	<u>(197,202)</u>	<u>3,328,327</u>	<u>1,953,007</u>	<u>5,281,334</u>	<u>5,084,132</u>	<u>16,130,024</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


 Sarfaraz Ahmed Rehman
 Chairman / Director


 Alireza Takesh
 Chief Executive Officer


 Muhammad Zeeshan
 Chief Financial Officer

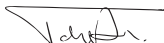
PHILIP MORRIS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	Six months period ended	
		June 30, 2024	June 30, 2023
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	920,816	1,514,893
Staff retirement benefits paid		(39,825)	(19,774)
Finance cost paid		(26,163)	(18,794)
Profit received on deposit accounts		630,651	534,702
Profit received on Term Deposit Receipts		123,451	43,285
Taxes and levy paid		(466,851)	(497,894)
Long term deposits		-	(39)
Net cash generated from operating activities		1,142,079	1,556,379
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,482,688)	(482,872)
Acquisition of intangibles		(15,002)	-
Proceeds from disposal of: property, plant and equipment		17,782	9,935
non-current assets held for sale / disposal		255,000	-
Net cash used in investing activities		(1,224,908)	(472,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3)	(586)
Lease payments		(45,542)	(51,530)
Net cash used in financing activities		(45,545)	(52,116)
Net (decrease) / increase in cash and cash equivalents during the period		(128,374)	1,031,326
Cash and cash equivalents at the beginning of the period		9,044,034	9,283,504
Cash and cash equivalents at the end of the period	23	8,915,660	10,314,830

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Sarfaraz Ahmed Rehman
Chairman / Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

PHILIP MORRIS (PAKISTAN) LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

Lakson Tobacco Company Limited was incorporated in Pakistan on February 10, 1969 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was subsequently acquired by the Philip Morris International Inc., through PMI Group entities. On February 25, 2011, the name of the Company was changed to Philip Morris (Pakistan) Limited (the Company). The Company is listed on the Pakistan Stock Exchange and the principal activity of the Company is the manufacturing and sale of cigarettes, tobacco products and other smoke free products. The registered office of the Company is situated at Office 04 & 05, 5th Floor, Corporate Office Block, Dolmen City, Plot HC-3, Block 4, Clifton Karachi, Sindh, Pakistan.

2. STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 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 applicable in Pakistan for interim financial reporting comprise of:

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

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

2.2 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the Company's audited financial statements for the year ended December 31, 2023 (December 2023 financial statements), except relating to the matter stated in note 2.3 and 2.4 below.

2.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2.4 Amendments to published accounting and reporting standards and interpretation / guidance which became effective during the period ended June 30, 2024:

There were certain amendments to accounting and reporting standards which became effective for the Company during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements except that during the year, the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these condensed interim financial statements. The effects of restatements are as follows:

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
--	--	--	---

(Rupees in thousand)

Effect on condensed interim statement of profit or loss and other comprehensive income

**For the six months period ended
June 30, 2024**

Levy	-	168,248	168,248
Profit before taxation	1,059,393	(168,248)	891,145
Taxation	(525,093)	168,248	(356,845)
Profit after taxation	534,300	-	534,300

**For the six months period ended
June 30, 2023**

Levy	-	28,352	28,352
Profit before taxation	831,414	(28,352)	803,062
Taxation	(459,913)	28,352	(431,561)
Profit after taxation	371,501	-	371,501

For the quarter ended June 30, 2024

Levy	-	103,218	103,218
Profit before taxation	394,126	(103,218)	290,908
Taxation	(297,873)	103,218	(194,655)
Profit after taxation	96,253	-	96,253

For the quarter ended June 30, 2023

Levy	-	17,406	17,406
Profit before taxation	232,731	(17,406)	215,325
Taxation	(240,572)	17,406	(223,166)
Profit after taxation	(7,841)	-	(7,841)

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after taxation and earnings per share, basic and diluted and statement of financial position.

- 2.5 New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company:

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after January 1, 2025. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Company's financial reporting framework upon adoption by the Securities and Exchange Commission of Pakistan (SECP). The amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

3. BASIS OF PREPARATION

- 3.1 These condensed interim financial statements include the condensed interim statement of financial position as at June 30, 2024, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes thereto for the six months period then ended which have been subjected to a review and have not been audited. These condensed interim financial statements also include the condensed interim statement of profit or loss and other comprehensive income and notes thereto for the quarter ended June 30, 2024 which were not subjected to auditor's review.
- 3.2 The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2023 has been extracted from the December 2023 financial statements. The comparative statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period ended June 30, 2023 have been extracted from the condensed interim financial statements of the Company for the six months period then ended, which were subjected to review but were not audited.
- 3.3 These interim financial statements should be read in conjunction with the December 2023 financial statements as these provide an update of previously reported information.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards for interim reporting requires the use of certain accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 4.2 During the preparation of these condensed interim financial statements, significant judgments made by management in applying the Company's accounting policies and key sources of estimation were the same as those applied in the December 2023 financial statements.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the December 2023 financial statements.

	Note	June 30, 2024 (Un-audited) (Rupees in thousand)	December 31, 2023 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1 to 5.4	4,646,378	4,708,383
Capital work-in-progress (CWIP)	5.5	1,511,242	542,954
		<u>6,157,620</u>	<u>5,251,337</u>
5.1 Operating property, plant and equipment			
Net book value at the beginning of the period / year		4,708,383	4,936,829
Transfers from CWIP during the period / year	5.2	514,400	1,101,594
		<u>5,222,783</u>	<u>6,038,423</u>
Disposals during the period / year - net book value	5.3	(11,631)	(31,659)
Assets transferred to held for sale / disposal during the period / year - net book value		-	(352,832)
Write offs during the period / year - net book value		(17,188)	(34,809)
Depreciation charge during the period / year	5.4	(547,586)	(910,740)
		<u>(576,405)</u>	<u>(1,330,040)</u>
14 Net book value at the end of the period / year		<u>4,646,378</u>	<u>4,708,383</u>

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	<u>Six months period ended</u>	
	June 30, 2024	June 30, 2023
	(Un-audited)	
	(Rupees in thousand)	
5.2 Transfers from CWIP during the period:		
Buildings on freehold land	11,570	32,229
Leasehold improvements	-	49,553
Plant and machinery	283,901	91,266
Furniture and fixtures	54,134	582
Office equipment	-	654
Vehicles	92,843	131,699
Power and other installations	49,696	23,429
Computer equipment	22,256	142,960
	<u>514,400</u>	<u>472,372</u>
5.3 Disposals during the period - net book value		
Vehicles	<u>11,631</u>	<u>4,688</u>
5.4 Depreciation charge during the period on:		
- property, plant and equipment	<u>547,586</u>	<u>437,282</u>
	June 30, 2024	December 31, 2023
	(Un-audited)	(Audited)
	(Rupees in thousand)	
5.5 Capital work-in-progress		
Civil works	150,342	11,967
Plant and machinery	1,155,183	363,571
Power and other installations	6,916	45,522
Furniture and fixtures	-	7,187
Computer equipment pending installations	41,163	54,790
Advance to suppliers and contractors	157,638	59,917
	<u>1,511,242</u>	<u>542,954</u>

6. INVESTMENT IN A SUBSIDIARY COMPANY

This represents the cost of 103 fully paid ordinary shares of Rs 10 each in Laksonpremier Tobacco Company (Private) Limited (the subsidiary company). Out of such 103 shares, two shares are in the name of the nominees. The statement of profit or loss and other comprehensive income of the subsidiary company for the six months period ended June 30, 2024 amounted to Rs Nil resulting in an accumulated loss of Rs 1,030 as at that date. The net assets of the subsidiary company as at June 30, 2024 amounted to Rs Nil, in accordance with the un-audited condensed interim financial statements for the six months period then ended. The subsidiary company has filed an application dated August 30, 2019 with the SECP for obtaining the status of an inactive company under section 424 of the Companies Act, 2017, however, response in this regard from SECP is awaited.

The financial statements of the subsidiary company are available for inspection at the Company's registered office and are available to the members on request without any cost.

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024 (Un-audited) (Rupees in thousand)	December 31, 2023 (Audited)
7. STOCK IN TRADE - net			
Raw and packing materials	7.1, 7.3 & 7.5	6,217,913	11,004,979
Work-in-process		135,304	208,652
Finished goods	7.2	1,568,351	1,270,331
		<u>7,921,568</u>	<u>12,483,962</u>
Less: Provision for obsolete stocks	7.3	(791,748)	(450,557)
		<u>7,129,820</u>	<u>12,033,405</u>
7.1 Include raw and packing material in transit aggregating Rs 169.844 million (December 31, 2023: Rs 236.314 million).			
7.2 Include finished goods in transit aggregating Rs 138.405 million (December 31, 2023: Rs Nil).			
7.3 During the current period, the Company has written off raw and packing materials aggregating Rs 6.544 million (December 31, 2023: Rs 27.701 million) against provision.			
7.4 Finished goods include items of specific products costing Rs 630.640 million (December 31, 2023: Rs 306.067 million) which are stated at their net realisable value (NRV) aggregating Rs 68.574 million (December 31, 2023: Rs 22.918 million). The amount charged to the profit or loss in respect of stocks written down to their net realisable values is Rs 560.622 million (December 31, 2023: Rs 283.149 million), which shall be reimbursed to the Company (note 18). In addition to this NRV charge, provision aggregating Rs 91.370 million against stock-in-trade has been recorded as a result of specific identification of obsolete items.			
7.5 Includes impact of seasonal purchases on account of harvest of tobacco crop during the months of July to September.			
8. TRADE DEBTS - net			
Considered good - unsecured	8.1	380,874	-
Considered doubtful		2,780	2,780
		<u>383,654</u>	<u>2,780</u>
Less: Provision for doubtful debts		(2,780)	(2,780)
		<u>380,874</u>	<u>-</u>
8.1 This represents amount receivable from group undertaking against export sales.			

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

9. ADVANCES	Note	June 30, 2024 (Un-audited) (Rupees in thousand)	December 31, 2023 (Audited)
Unsecured			
Advances to:			
- Employees	9.1	24,041	32,863
- Suppliers and contractors		67,650	159,979
		<u>91,691</u>	<u>192,842</u>
Secured			
Advance to a supplier	9.2	111,261	111,261
Less: Provision against advance		(16,166)	(16,166)
		<u>95,095</u>	<u>95,095</u>
		<u>186,786</u>	<u>287,937</u>

9.1 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

9.2 There is no significant change in the status of the case as set out in note 11.2 to the December 31, 2023 financial statements.

10. OTHER RECEIVABLES	Note	June 30, 2024 (Un-audited) (Rupees in thousand)	December 31, 2023 (Audited)
Receivable from associated undertakings	18	2,604,267	1,887,174
Cash margins held with banks		235,860	195,602
Accrued profit on deposit accounts		65,473	70,096
Others		21,572	11,564
		<u>2,927,172</u>	<u>2,164,436</u>

11. This amount represents Term Deposit Receipts invested with a commercial bank having maturity on July 5, 2024 and July 11, 2024 carrying interest at the rate of 18.55% and 20.50% per annum.

12. NON-CURRENT ASSETS HELD FOR SALE / DISPOSAL

	June 30, 2024 (Un-audited) (Rupees in thousand)	December 31, 2023 (Audited)
Cost	-	1,600
Less: Accumulated depreciation	-	-
Less: Accumulated impairment	-	-
	<u>-</u>	<u>1,600</u>

12.1 During the period, the Company sold the property A-1 classified as held for sale as at December 31, 2023 in accordance with 'IFRS 5 - Non-current assets held for sale and discontinued operations' for consideration amounting Rs 255 million resulting in gain (classified as other income) aggregating Rs 253.4 million.

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in thousand)		
13. TRADE AND OTHER PAYABLES		
Creditors	2,186,698	2,946,438
Bills payable	5,048,965	2,976,250
Royalty payable to related party	1,949,671	1,361,202
Accrued expenses	1,475,188	1,731,399
Tobacco development cess	13,875	41,625
Contractors' retention money	2,063	2,063
Advance from customers - unsecured	513,534	4,047,072
Workers' welfare fund	70,225	46,210
Workers' profits participation fund	64,886	7,819
Others	239,904	344,347
	<u>11,565,009</u>	<u>13,504,425</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Guarantees

Indemnities given to banks for guarantees issued by them in the normal course of business aggregated Rs 48.861 million (December 31, 2023: Rs 48.861 million).

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in thousand)		
14.2 Commitments		
Capital expenditure contracted for but not incurred	61,624	101,567
Post dated cheques	-	147,407
Letters of credit	28,121	51,356
Operating lease commitments	11,882	11,063

14.3 Contingencies

14.3.1 There is no significant change in the status of the cases set out in notes 21.6.1, 21.6.2, 22.3 and 22.4 to the December 2023 financial statements.

Note	Quarter ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
(Rupees in thousand)				
15. TURNOVER - net				
Gross turnover	16,677,631	11,709,310	36,165,822	23,909,218
Less: Trade discount	303,352	315,104	604,036	635,184
Sales tax	2,705,872	1,801,391	5,033,383	3,311,238
Federal excise duty	9,360,384	6,355,096	17,592,303	10,903,202
	<u>12,369,608</u>	<u>8,471,591</u>	<u>23,229,722</u>	<u>14,849,624</u>
	<u>4,308,023</u>	<u>3,237,719</u>	<u>12,936,100</u>	<u>9,059,594</u>

15.1 This includes export sales for the six months period ended June 30, 2024 amounting to Rs 4,431 million (June 30, 2023: Rs 2,801 million).

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Quarter ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
	----- (Rupees in thousand) -----			
16. COST OF SALES				
Raw and packing materials consumed				
Opening stock	6,302,070	5,162,342	11,004,979	7,518,621
Purchases, redrying and related expenses	1,522,194	2,126,168	3,020,907	3,510,265
	<u>7,824,264</u>	<u>7,288,510</u>	<u>14,025,886</u>	<u>11,028,886</u>
Closing stock	(6,217,913)	(6,385,451)	(6,217,913)	(6,385,451)
	<u>1,606,351</u>	<u>903,059</u>	<u>7,807,973</u>	<u>4,643,435</u>
Government levies	19,809	6,133	26,902	14,067
Manufacturing expenses	790,072	474,502	1,369,709	1,022,120
	<u>2,416,232</u>	<u>1,383,694</u>	<u>9,204,584</u>	<u>5,679,622</u>
Work-in-process				
Opening stock	228,323	300,525	208,652	366,817
Closing stock	(135,304)	(362,606)	(135,304)	(362,606)
Sale of waste	(3,358)	(2,053)	(4,983)	(7,572)
	<u>89,661</u>	<u>(64,134)</u>	<u>68,365</u>	<u>(3,361)</u>
Cost of goods manufactured	<u>2,505,893</u>	<u>1,319,560</u>	<u>9,272,949</u>	<u>5,676,261</u>
Finished goods				
Opening stock	1,700,617	1,736,301	1,270,331	851,861
Finished goods purchased	1,246,469	200,255	2,365,575	233,358
Closing stock	(1,568,351)	(1,083,690)	(1,568,351)	(1,083,690)
	<u>1,378,735</u>	<u>852,866</u>	<u>2,067,555</u>	<u>1,529</u>
	<u>3,884,628</u>	<u>2,172,426</u>	<u>11,340,504</u>	<u>5,677,790</u>

17. OTHER EXPENSES

Employee separation cost	7,656	13,442	7,656	14,865
Property, plant and equipment written off	17,188	-	17,188	-
Workers' welfare fund	12,316	8,977	24,015	34,852
Workers' profit participation fund	22,853	12,629	57,067	45,593
Exchange loss - net	-	46,272	-	875,487
Miscellaneous expenses	35,178	10,562	46,361	21,264
	<u>95,191</u>	<u>91,882</u>	<u>152,287</u>	<u>992,061</u>

18. This includes profit on deposit accounts and Term Deposit Receipts aggregating to Rs 630.651 million and Rs 162.014 million (June 30, 2023: Rs 534.702 million and Rs 42.675 million) respectively.

This also includes reimbursement of expenses, incurred by the Company on account of import, distribution and marketing activities, trade allowances and taxes and duties relating to recently launched products, agreed to be received from Philip Morris Products S.A., (PMP) in accordance with the agreements entered into between the Company and PMP aggregating Rs 2,585.695 million (June 30, 2023: Rs 425.017 million).

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Quarter ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
	(Rupees in thousand)			
19. LEVY AND TAXATION				
Levy	103,218	17,406	168,248	28,352
Taxation	194,655	223,166	356,845	431,561
Net levy and tax charged	<u>297,873</u>	<u>240,572</u>	<u>525,093</u>	<u>459,913</u>

19.1 This represents minimum taxes paid under section 148 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

	Quarter ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
	(Rupees in thousand)			
19.2 Taxation				
Current				
- for the period	255,422	85,381	482,102	513,755
- for the prior period	-	262,676	-	262,676
	<u>255,422</u>	<u>348,057</u>	<u>482,102</u>	<u>776,431</u>
Deferred	(60,767)	(124,891)	(125,257)	(344,870)
	<u>194,655</u>	<u>223,166</u>	<u>356,845</u>	<u>431,561</u>

20. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
	(Rupees in thousand)			
20.1 Basic earnings per share				
Profit / (loss) after taxation	96,253	(7,841)	534,300	371,501
	(Number of shares)			
Weighted average number of ordinary shares	<u>61,580,341</u>	<u>61,580,341</u>	<u>61,580,341</u>	<u>61,580,341</u>
	(Rupees)			
Earnings / (loss) per share – basic	<u>1.56</u>	<u>(0.13)</u>	<u>8.68</u>	<u>6.03</u>

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Quarter ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
20.2 Diluted earnings per share	(Un-audited)			
	(Rupees in thousand)			
Profit / (loss) after taxation	96,253	(7,841)	534,300	371,501
	(Number of shares)			
Weighted average number of potential ordinary shares	79,470,642	Note 20.3	79,470,642	85,571,154
	(Rupees)			
Earnings per share – diluted	1.21	Note 20.3	6.72	4.34

20.3 1,046,400,000 preference shares are not included in the calculation of diluted earnings / (loss) per share because these are antidilutive for the quarter ended June 30, 2023.

21. RELATED PARTIES TRANSACTIONS

21.1 Related parties comprise of Philip Morris Investments B.V., (the parent company) and Philip Morris Brands S.a.r.l, related group undertakings, subsidiary company - Laksonpremier Tobacco Company (Private) Limited, staff retirement benefit funds and members of the key management personnel. The Company enters into transactions with related parties on the basis of mutually agreed terms. The transactions with related parties can be summarised as follows:

Relationship	Nature of transaction	Six months period ended	
		June 30, 2024	June 30, 2023
		(Un-audited)	
		(Rupees in thousand)	
Associated undertakings	Sale of goods	4,503,100	2,802,588
	Purchase of goods	2,728,964	376,536
	Purchase of equipment	1,054,705	-
	Royalty charges	640,163	59,158
	Share based payment expense	80,752	50,317
	Share based payment recharge	79,851	63,095
	Reimbursement of expenses	2,585,695	425,017
Staff retirement benefit plans	Contribution to gratuity fund	39,825	19,774
	Contribution to provident fund	64,744	55,780
Key management personnel	Remuneration and benefits - notes 21.1.1 to 21.1.3	27,928	22,912

21.1.1 The Company considers its chief executive and directors as key management personnel.

21.1.2 The chief executive, executive directors and certain executives are provided with free use of the Company maintained cars.

21.1.3 Certain executives are on secondment from the group undertakings and no remuneration is charged to the Company in respect of those executives.

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

Note	Six months period ended	
	June 30, 2024	June 30, 2023
	(Un-audited)	(Restated)
	(Rupees in thousand)	
22. CASH GENERATED FROM OPERATIONS		
Profit before taxation	891,145	803,062
Adjustments for non cash and other items:		
Levy	168,248	28,352
Depreciation on operating property, plant and equipment	547,586	437,282
Depreciation on right-of-use assets	61,230	48,837
Amortisation of intangibles	1,992	11,070
Staff retirement gratuity expense	39,825	28,185
Provision for slow moving spares	9,761	4,043
Expenses arising from equity-settled share-based payment plan	80,752	50,317
Liabilities written back	(37,302)	(49,968)
Provision for obsolete stocks	344,447	36,405
Profit on deposit accounts	(630,651)	(534,702)
Profit on Term Deposit Receipts	(162,014)	(42,675)
Unrealised exchange (gain) / loss - net	(118,406)	763,101
Profit on disposal of items of :		
property, plant and equipment - net	(6,151)	(5,247)
non-current assets held for sale / disposal - net	(253,400)	-
Property, plant and equipment written off	17,188	-
Other current assets written off	-	20,961
Finance cost	26,163	18,794
	<u>980,413</u>	<u>1,617,817</u>
Working capital changes	22.1 (59,597)	(102,924)
	<u>920,816</u>	<u>1,514,893</u>
22.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares - net	(57,925)	(87,672)
Stock in trade - net	4,559,138	894,120
Trade debts - net	(380,874)	(12,356)
Advances	101,151	7,565
Prepayments	37,963	45,160
Sales tax and excise duty adjustable	(705,700)	-
Other receivables	(762,736)	462,378
	<u>2,791,017</u>	<u>1,309,195</u>
Decrease in current liabilities		
Trade and other payables	(1,863,559)	(1,297,268)
Sales tax and excise payable	(987,055)	(114,851)
	<u>(2,850,614)</u>	<u>(1,412,119)</u>
	<u>(59,597)</u>	<u>(102,924)</u>

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

Note	Six months period ended	
	June 30, 2024	June 30, 2023
	(Un-audited)	
	(Rupees in thousand)	
23. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,595,330	8,333,691
Short term investments	2,339,191	2,000,000
Less: Amount held as security	(18,861)	(18,861)
	8,915,660	10,314,830

24. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Company.

25. GENERAL

Figures have been rounded off to the nearest thousand of Pakistan Rupees unless otherwise stated.



Sarfaraz Ahmed Rehman
Chairman / Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

<http://philipmorriskakistan.com.pk>