



OPTIMISM REDEFINED

**Condensed Interim
Financial Statements**
for the nine months period ended September 30, 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

Ammad Malik (Secretary)

Company Secretary

Sami Zaman

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

The Directors of Pakistan Tobacco Company Limited (the "Company" or "PTC") are pleased to submit the review for the nine months ended September 30, 2024, along with the condensed interim financial statements of the Company.

Pakistan's economy, although on a recovery path, continued to face challenges during the period under review. Despite significant easing in headline inflation and a reduction in current account deficit, the economic environment remains tough, with businesses grappling with high input costs and weak consumer demand. Foreign and domestic debt servicing costs remain a key burden in the short to medium term. Looking ahead, while fiscal consolidation efforts and external account improvements offer hope, Pakistan's economy continues to be restrained with real GDP growth estimated at 3.2 percent¹ for FY 2024/25 amid ongoing domestic vulnerabilities and structural challenges.

The tobacco industry in Pakistan continues to be plagued by the presence of a large duty-evaded illicit segment. The situation has been further exacerbated post the unprecedented increase in federal excise duty (FED) on cigarettes. This FED increase led to a sharp rise in the prices of duty-paid brands, resulting in widening of the price gap, in favor of the non-compliant, duty-not-paid sector. With consumer affordability already under pressure, this led to the shifting of consumption from the legitimate sector towards lower priced illicit tobacco trade, which now accounts for approximately 58%² of the total market.

As part of the Federal Budget 2024/25, the Government took a number of positive measures to mitigate the risk posed by the duty-not-paid segment. This includes FED stability for cigarettes and increased efforts to combat illicit trade through enforcement. However, given the quantum of locally manufactured duty-evaded and smuggled products, considerable efforts to curtail this segment are still required. This includes bringing all manufacturers in Pakistan and Azad Jammu and Kashmir (AJ&K) into the ambit of Track & Trace System (T&TS) and its uniform enforcement at the point of sale.

In the Federal Budget 2024/25, the Government of Pakistan introduced an adjustable advance federal FED duty on acetate tow of Rs 44,000 per kg. While this could be an effective measure to curtail illicit trade, the quantum of this advance FED is excessive. At the current rate, this is a considerable burden on the legitimate segment's working capital and a significant increase for the cost of doing business for duty-paid manufacturers. Therefore, we recommend the Government to review and reduce the value of this advance FED to Rs. 4,000 per kg.

Additionally, the FED regime for E-liquids has been revised as part of the Federal Budget 2024/25 from the existing PKR 10,000 per kg to the higher of PKR 10,000 per kg or 65% of retail price. The impact of this change results in a 380% increase in retail prices for PTC, which places products of the Company at a disadvantage versus duty-evaded E-liquid products in the market, thus forcing the Company to exit the E-liquid category.

To cater to dynamic consumer preferences and shifting regulatory trends, PTC continues to invest behind its reduced-risk portfolio, aligning itself with BAT Group's agenda of Building a Smokeless World. The Modern Oral category in Pakistan continues to deliver robust growth, establishing Pakistan as one of the leading markets for its flagship brand, VELO™. As a testament to the

Company's unwavering commitment to high quality standards, PTC has expanded its exports portfolio to include VELO™. Japan is the first export market for Made in Pakistan VELO™ and the Company plans to expand its footprint with exports to France and Peru later this year.

Key financial indicators of the Company for the period ended September 30, 2024, are summarized below:

	Rs (million)	
	Jan - Sep, 2024	Jan - Sep, 2023
Gross Turnover	262,423	221,352
FED & Sales Tax	(174,304)	(147,073)
Net Turnover	88,119	74,279
Cost of Sales	(46,059)	(30,355)
Gross Profit	42,060	43,924
Operating Profit	30,286	32,201
Profit Before Tax – PBT	35,615	37,102
Profit After Tax – PAT	19,915	20,937
Earnings Per Share – EPS (Rs)	77.95	81.95

¹Source: International Monetary Fund Press Release No. 24/343, September 2024

²Source: Impact of Taxation on the Cigarette Sector in Pakistan, LUMS, June 2024

Despite unprecedented challenges, domestic cigarettes volume remained at the same level compared to same period last year, supported by FED stability and the exceptional market execution of our skilled trade team. Aligning with the Company's export-driven strategy, exports worth \$24.7 million were achieved in the first nine months of 2024.

Cost of sales increased by 52%, primarily due to a record surge in leaf prices during the 2023 leaf buying season. Despite inflationary pressures, the Company was able to limit the reduction in Operating Profit to 6%, through focused cost control and efficiency measures. Strong cash management led to higher interest income, which softened the year-on-year decline in Profit Before Tax (PBT) to 4%. Profit After Tax (PAT) is lower by 5%, mainly due to normal tax regime applied to exports, resulting in a higher effective tax rate.

It is worth noting that the Company's operations are grounded in solid fundamentals, and we remain confident in our prospects going forward. Based on the current business performance and outlook, the Board of Directors of PTC have announced an interim dividend of PKR 95 per share for the nine month period ended September 30, 2024.

PTC remains dedicated to providing value to consumers and shareholders leveraging the strength of its brands, effective distribution, and a committed workforce. The Company continues to drive performance through employee-centric programs, comprehensive risk management, and cost-saving initiatives to ensure long-term and sustainable value delivery.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

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

روپے (ملین)		
2023 جنوری - ستمبر	2024 جنوری - ستمبر	
221,352	262,423	مجموعی کاروبار (Gross Turnover)
(147,073)	(174,304)	فیڈرل ایکسائز ڈیوٹی اور سیلز ٹیکس (FED & Sales Tax)
74,279	88,119	خالص وصولیات (Net Turnover)
(30,355)	(46,059)	لاگت برائے فروخت (Cost of Sales)
43,924	42,060	کل منافع (Gross Profit)
32,201	30,286	کاروباری منافع (Operating Profit)
37,102	35,615	قبل از ٹیکس منافع (Profit Before Tax - PBT)
20,937	19,915	بعد از ٹیکس منافع (Profit After Tax - PAT)
81.95	77.95	آمدنی فی حصص (Earnings Per Share - EPS (Rs)) (روپے)

ذریعہ: انٹرنیشنل مانیٹری فنڈ پریس ریلیز نمبر 24/343، ستمبر 2024

² ذریعہ: پاکستان میں بیکریٹ کے شعبے پر ٹیکس لگائے جانے کے اثرات، لہذا، جون 2024

غیر مثالی چیلنجوں کے باوجود، سگریٹ کا گھریلو حجم گزشتہ سال کی اسی مدت کے مقابلے میں اسی سطح پر رہا، جو منظم ایف ای ڈی کی حمایت اور ہماری ہنرمند تجارتی ٹیم کی مارکیٹ پر غیر معمولی عملدرآمد سے حاصل ہوا۔ کمپنی کی برآمدات پر مبنی حکمت عملی کے مطابق 2024 کے پہلے نو مہینوں میں 24.7 ملین ڈالر کی برآمدات حاصل کی گئیں۔

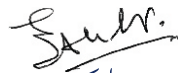
فروخت کی لاگت میں 52 فیصد اضافہ ہوا، جس کی وجہ بنیادی طور پر 2023 میں سچے کی خریداری کے سیزن کے دوران پتوں کی قیمت میں ریکارڈ اضافہ تھا۔ افراترے کے دہاؤ کے باوجود کمپنی لاگت کو قابو میں رکھنے پر توجہ مرکوز کرنے اور کارکردگی کے اقدامات کے ذریعے آپریٹنگ منافع میں کمی کو چھ فیصد تک محدود رکھنے میں کامیاب رہی۔ نقدی کے مضبوط انتظام کی وجہ سے سود سے زیادہ آمدنی ہوئی، جس نے ٹیکس سے پہلے منافع (پی بی ٹی) میں سال بہ سال کمی کو چار فیصد تک نرم کر دیا۔ ٹیکس کے بعد منافع (پی اے ٹی) پانچ فیصد کم ہے بنیادی طور پر برآمدات پر لاگو عام ٹیکس نظام کی وجہ سے جس کے نتیجے میں موثر ٹیکس کی شرح زیادہ ہوتی ہے۔

یہ بات قابل غور ہے کہ کمپنی کے آپریٹنگ ٹھوس بنیادوں پر مبنی ہیں، اور ہمیں اپنے مستقبل کے امکانات پر اعتماد ہے۔ موجودہ کارکردگی اور آؤٹ لک کی بنیاد پر پی ٹی سی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2024 کو ختم ہونے والی نو ماہ کی مدت کے لیے پاکستانی 95 روپے فی شیئر کے عبوری ڈیویڈنڈ کا اعلان کیا ہے۔

پی ٹی سی اپنے برانڈز، موثر تقسیم اور باصلاحیت افرادی قوت سے فائدہ اٹھاتے ہوئے صارفین اور حصص یافتگان کو قدر کی فراہمی کے لئے پرعزم ہے۔ کمپنی طویل مدتی اور پائیدار قدر کی فراہمی کو یقینی بنانے کے لیے ملازمین پر مرکوز پروگراموں، جامع رسک مینجمنٹ، اور لاگت کی بچت کے اقدامات کے ذریعے کارکردگی کو آگے بڑھا رہی ہے۔



سید محمد علی ابرار
سی ایف او اور ڈائریکٹر



سید علی اکبر
چیفنگ ڈائریکٹر / سی ای او

ڈائریکٹرز کا جائزہ - نومبر 2024

پاکستان ٹوبیکو کمپنی لمیٹڈ ("کمپنی" یا "پنی ٹی سی") کے ڈائریکٹرز کو 30 ستمبر 2024 کو ختم ہونے والے نو مہینوں کے جائزے کے ساتھ کمپنی کی جامع عبوری سٹیٹمنٹس پیش کرنے پر خوشی ہے۔

پاکستان کی معیشت، اگرچہ بحالی کی راہ پر گامزن ہے، زیر جائزہ مدت کے دوران مسلسل چیلنجز کا سامنا کرتی رہی۔ افراتفر اور کرنٹ اکاؤنٹ میں خسارے سے متعلق سرخیوں میں نمایاں آسانی، کے باوجود کاروباروں میں بلند ان پٹ لاگت اور صارفین کی کمزور طلب کے باعث اقتصادی ماحول سخت ہے۔ مختصر سے درمیانی مدت کے غیر ملکی اور اندرون ملک قرضوں کی فراہمی کے اخراجات ایک کلیدی بوجھ بنے ہوئے ہیں۔ آگے دیکھیں تو مالیاتی استحکام کی خوشبینی اور بیرونی اکاؤنٹ میں بہتری کی امید پیش کی جارہی ہے جبکہ پاکستان کی معیشت مالی سال 2024/25 کے لیے 32 فیصد اے کے تخمینے کے ساتھ حقیقی جی ڈی پی کی شرح نمو کے ساتھ جاری گھریلو کمزوریوں اور ساختی چیلنجوں کے درمیان برقرار رہے گی۔

پاکستان میں تباہی کی صنعت ایک بڑے ڈیوٹی سے بچنے والے غیر قانونی طبقے کی موجودگی کی وجہ سے بد حالی کا شکار ہے۔ سگریٹ پر فیڈرل ایکسائز ڈیوٹی (ایف ای ڈی) میں غیر معمولی اضافے کے بعد یہ صورتحال مزید بگڑ گئی ہے۔ اس ایف ای ڈی اضافے سے ڈیوٹی ادا کرنے والے سیکٹر براہدز کی قیمتوں میں تیزی سے اضافہ ہوا، جس کے نتیجے میں قیمتوں کے فرق میں اضافہ ہوا، جو کہ عدم تعمیل کے حامل ڈیوٹی ادا کرنے والے شعبے کے حق میں ہوا۔ صارفین کی استطاعت پہلے ہی دباؤ میں ہے، اس کی وجہ سے جائز شعبے سے کھپت کو کم قیمت والی غیر قانونی تباہی کی تجارت کی طرف منتقل کیا گیا، جو اب کل مارکیٹ کا تقریباً 58 فیصد ہے۔

وفاقی بجٹ 2024/25 کے حصے کے طور پر، حکومت نے ڈیوٹی ادا کرنے والے طبقے سے لاحق خطرے کو کم کرنے کے لیے متعدد مثبت اقدامات کیے ہیں۔ اس میں سگریٹ کے لیے ایف ای ڈی استحکام اور نفاذ کے ذریعے غیر قانونی تجارت سے نمٹنے کی کوششیں شامل ہیں۔ تاہم، مقامی طور پر تیار کردہ ڈیوٹی سے بچنے والی اور اسمگل شدہ مصنوعات کی مقدار کو دیکھتے ہوئے، اس طبقے کو کم کرنے کے لیے کافی کوششوں کی ضرورت ہے۔ اس میں پاکستان اور آزاد جموں و کشمیر (اے بے اینڈ کے) کے تمام مینوفیکچررز کو ٹریک اینڈ ٹریس سسٹم (ٹی اینڈ ٹی اینس) کے دائرے میں لانا اور فروخت کے مقام پر اس کا یکساں نفاذ شامل ہے۔

وفاقی بجٹ 2024/25 میں حکومت پاکستان نے چوالیس ہزار روپے فی کلو گرام سیٹھ اٹھانے پر ایڈجسٹ ایبل ایڈوائس فیڈرل ایف ای ڈی ڈیوٹی متعارف کرائی۔ اگرچہ یہ غیر قانونی تجارت کو کم کرنے کے لیے ایک مؤثر اقدام ہو سکتا ہے، لیکن اس پیکیجنگ ایف ای ڈی کی مقدار ضرورت سے زیادہ ہے۔ موجودہ شرح پر، یہ جائز طبقے کے ورکنگ سرمایہ پر کافی بوجھ ہے اور ڈیوٹی ادا کرنے والے مینوفیکچررز کے لیے کاروبار کرنے کی لاگت میں نمایاں اضافہ ہے۔ لہذا ہم حکومت کو تجویز کرتے ہیں کہ وہ نظر ثانی کرے اور پیکیجنگ ایف ای ڈی کو چار ہزار روپے فی کلو گرام کم کرے۔

مزید برآں وفاقی بجٹ 2024/25 کے حصے کے طور پر ای۔ کیو ایڈ کے لئے ایف ای ڈی کو موجودہ پاکستانی روپے دس ہزار فی کلو گرام سے بڑھا کر پاکستانی روپے دس ہزار فی کلو گرام یا ریٹیل قیمت کا پینتھ فیصد کر دیا گیا ہے۔ اس تبدیلی کے اثرات کے نتیجے میں پی ٹی سی کے لیے ریٹیل قیمتوں میں 380 فیصد اضافہ ہے، جو کمپنی کی مصنوعات کو مارکیٹ میں ڈیوٹی سے بچنے والے ای۔ کیو ایڈ مصنوعات کے مقابلے میں نقصان میں ڈالتا ہے اور کمپنی کو ای۔ کیو ایڈ زمرے سے باہر نکلنے پر مجبور کرتا ہے۔

صارفین کی متحرک ترجیحات کو پورا کرنے اور ریگولیٹری رجحانات کو تبدیل کرنے کے لیے، پی ٹی سی اپنے کم خطرے والے پورٹ فولیو کے پیچھے سرمایہ کاری جاری رکھے ہوئے ہے، خود کو پی ایس ٹی گروپ کے اسموک لیس ورلڈ کی تعمیر کے ایجنڈے کے ساتھ ہم آہنگ کرتا ہے۔ پاکستان میں ماڈرن اورل کیٹگری کی فراہمی کے لئے مضبوط ترقی کو جاری رکھے ہوئے ہے، جس نے پاکستان کو اپنے فلیگ شپ برانڈ VELO™ کے لیے ایک اہم مارکیٹ کے طور پر نمایاں کیا ہے۔ اعلیٰ معیار کے لیے کمپنی کے غیر متزلزل عزم کے ثبوت کے طور پر، پی ٹی سی نے VELO™ کو شامل کرنے کے لیے اپنے برآمدات کے پورٹ فولیو کو وسعت دی ہے۔ میڈان پاکستان VELO™ کے لیے جاپان بجلی برآمدی منڈی ہے اور کمپنی اس سال کے آخر میں فرانس اور پیر و کو برآمدات کے ساتھ اپنے قدموں کے نشان کو وسعت دینے کا ارادہ رکھتی ہے۔

Condensed Interim Profit or Loss (Un-audited)

for the Nine months period ended September 30, 2024

	Note	Three months ended		Nine months ended	
		Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Domestic turnover		76,492,306	85,934,823	255,544,869	217,048,421
Export turnover		4,621,514	1,951,589	6,877,990	4,303,095
Gross turnover		81,113,820	87,886,412	262,422,859	221,351,516
Excise duties		(38,990,447)	(46,228,799)	(133,873,541)	(113,167,359)
Sales tax		(12,192,103)	(13,477,000)	(40,430,215)	(33,905,461)
Net turnover		29,931,270	28,180,613	88,119,103	74,278,696
Cost of sales	7	(11,508,918)	(10,890,442)	(46,058,983)	(30,354,795)
Gross profit		18,422,352	17,290,171	42,060,120	43,923,901
Selling and distribution costs		(1,302,367)	(1,688,618)	(5,104,468)	(4,988,957)
Administrative expenses		(725,866)	(751,183)	(3,888,916)	(3,226,687)
Other expenses	8	(1,268,285)	(862,214)	(2,915,557)	(3,616,948)
Other income	9	32,411	7,080	135,021	109,277
		(3,264,107)	(3,294,935)	(11,773,920)	(11,723,315)
Operating profit		15,158,245	13,995,236	30,286,200	32,200,586
Finance income	10	1,480,971	2,257,801	5,898,612	5,362,807
Finance cost		(189,606)	(159,156)	(569,580)	(461,350)
Net finance income		1,291,365	2,098,645	5,329,032	4,901,457
Profit before income tax		16,449,610	16,093,881	35,615,232	37,102,043
Income tax expense		(7,531,587)	(6,198,747)	(15,700,643)	(16,165,125)
Profit for the period		8,918,023	9,895,134	19,914,589	20,936,918
Earnings per share - basic and diluted (Rupees)		34.91	38.73	77.95	81.95

The annexed notes 1 to 25 form 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 (Un-audited)

for the Nine months period ended September 30, 2024

	Three months ended		Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Profit for the period	8,918,023	9,895,134	19,914,589	20,936,918
Other comprehensive loss or the period	-	-	(99,358)	-
Total comprehensive income for the period	8,918,023	9,895,134	19,815,231	20,936,918

The annexed notes 1 to 25 form 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 (Un-audited)

as at September 30, 2024

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Non current assets			
Property, plant and equipment	11	23,696,346	21,671,778
Advances for capital expenditure		360,179	1,346,732
Long term investment in subsidiary company	12	5,000	5,000
Long term deposits and prepayments		27,895	42,395
		24,089,420	23,065,905
Current assets			
Stock-in-trade		54,519,146	46,672,301
Stores and spares		679,373	630,989
Trade debts		9,860	2,687,721
Loans and advances	13	1,290,045	646,419
Short term prepayments		147,224	220,716
Other receivables	14	2,743,971	3,163,429
Short term investments		13,410,020	14,557,699
Cash and bank balances	15	5,839,021	17,938,895
		78,638,660	86,518,169
Current liabilities			
Trade and other payables	16	36,810,779	39,130,358
Other liabilities		2,075,209	2,089,190
Lease liability	18	944,923	852,765
Unpaid dividend		2,545,514	8,141,160
Unclaimed dividend		133,968	105,081
Current income tax liabilities		5,926,942	3,285,951
		(48,437,335)	(53,604,505)
Net current assets		30,201,325	32,913,664
Non current liabilities			
Lease liability	18	(2,957,874)	(2,569,277)
Deferred tax liabilities		(1,309,928)	(2,095,119)
		(4,267,802)	(4,664,396)
Net assets		50,022,943	51,315,173
Share capital and reserves			
Share capital	19	2,554,938	2,554,938
Capital reserve		7,206,654	4,042,204
Revenue reserve - Unappropriated profit		40,261,351	44,718,031
		50,022,943	51,315,173
Contingencies and commitments	20		

The annexed notes 1 to 25 form 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 (Un-audited)

for the Nine months period ended September 30, 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 period:				
Profit for the period	-	20,936,918	-	20,936,918
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	20,936,918	-	20,936,918
Balance at September 30, 2023	2,554,938	45,006,307	-	47,561,245
Balance at January 1, 2024	2,554,938	44,718,031	4,042,204	51,315,173
Total comprehensive income for the period:				
Profit for the period	-	19,914,589	-	19,914,589
Other comprehensive income	-	(99,358)	-	(99,358)
Total comprehensive income for the period	-	19,815,231	-	19,815,231
Free of cost services and exempted recharges	-	-	3,164,450	3,164,450
Transactions with owners of the Company:				
1st Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
3rd Interim dividend for the year ending December 31, 2024 @ Rs. 35 per share	-	(8,942,283)	-	(8,942,283)
	-	(24,271,911)	-	(24,271,911)
Balance at September 30, 2024	2,554,938	40,261,351	7,206,654	50,022,943

The annexed notes 1 to 25 form 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 (Un-audited)

for the Nine months period ended September 30, 2024

	Note	Nine months ended	
		Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Cash flows from operating activities			
Cash generated from operations	21	28,228,370	26,640,867
Finance cost paid		(569,580)	(204,585)
Income tax paid		(13,844,843)	(12,047,105)
Contribution to retirement benefit funds		(465,652)	(468,562)
Net cash from operating activities		13,348,295	13,920,615
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,462,113)	(2,628,966)
Advances for capital expenditure		986,553	301,717
Proceeds from sale of property, plant and equipment		280,239	233,950
Interest received		5,898,612	5,362,807
Net cash from investing activities		4,703,291	3,269,508
Cash flows from financing activities			
Dividends paid		(29,838,670)	(2,937)
Lease payments		(1,460,469)	(1,302,710)
Export refinance facility repayment		-	(2,300,000)
Net cash used in financing activities		(31,299,139)	(3,605,647)
Net increase in cash and cash equivalents		(13,247,553)	13,584,476
Cash and cash equivalents at January 1		32,496,594	23,400,907
Cash and cash equivalents at Sep 30		19,249,041	36,985,383
Cash and cash equivalents comprise:			
Short-term investments		13,410,020	33,063,248
Cash and bank balances	15	5,839,021	3,922,938
Short term running finance		-	(803)
		19,249,041	36,985,383

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



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

1. The Company and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is a subsidiary of the 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 sale of cigarettes, tobacco and Velo.

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 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 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'). This interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with 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 is extracted from 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 nine months period ended September 30, 2023.

These condensed interim financial statements are un-audited and is 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 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.

- 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).

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

5. Material accounting policies

The accounting policies and the methods of computation adopted in the preparation of these 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 not yet effective, and earlier application is permitted; however, the Company has not early adopted the new or amended standards.

Three months ended		Nine months ended	
Sep 30,	Sep 30,	Sep 30,	Sep 30,
2024	2023	2024	2023
Rs '000	Rs '000	Rs '000	Rs '000

7. Cost of sales

Raw material consumed:				
Opening stock of raw materials and work in process	35,023,364	21,163,335	43,531,233	21,904,030
Raw material purchases and expenses	26,871,117	37,538,762	48,189,775	55,302,493
Excise duty, customs duty, regulatory duty and tobacco development cess etc.	308,087	171,734	642,838	1,435,896
Closing stock of raw materials and work in process	(51,641,549)	(52,424,427)	(51,641,549)	(52,424,427)
	10,561,019	6,449,404	40,722,297	26,217,992
Royalty	-	(310,112)	-	-
Production overheads	1,779,451	1,867,429	5,073,215	3,878,732
	12,340,470	8,006,721	45,795,512	30,096,724
Cost of finished goods				
Opening stock	2,046,045	5,756,238	3,141,068	3,130,588
Closing stock	(2,877,597)	(2,872,517)	(2,877,597)	(2,872,517)
	(831,552)	2,883,721	263,471	258,071
	11,508,918	10,890,442	46,058,983	30,354,795

7.1 During the nine months period ended September 30, 2024, the Company recorded a provision for inventory write-off amounting to Rs. 1,346,196 thousand (September 30, 2023 : Rs. nil). This primarily includes (a) raw materials imported under EFS rules for export to Sudan, and (b) other raw material / finished goods due to expiry risk.

Additionally, a provision amounting to Rs. 1,425,013 thousand was also recorded for duties & taxes related to Sudan materials.

8. Other expenses

Workers' Profit Participation Fund (WPPF)	885,164	864,333	1,735,905	1,992,591
Workers' Welfare Fund (WWF)	186,527	301,349	603,375	730,087
Bank charges and fees	18,402	10,872	63,681	45,405
Foreign exchange loss / (gain)	178,192	(314,340)	512,596	848,865
	1,268,285	862,214	2,915,557	3,616,948

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

	Three months ended		Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
9. Other income				
Gain on disposal of property, plant and equipment	31,557	5,787	132,392	105,372
Others	854	1,293	2,629	3,905
	32,411	7,080	135,021	109,277

10. Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 16.00% and 22.64% (nine months ended Sep 30, 2023 : 14.50% and 22.80%) per annum and is received on maturity.

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
11. Property, plant and equipment			
Operating assets	11.1	19,673,089	19,029,849
Capital work in progress	11.2	4,023,257	2,641,929
		23,696,346	21,671,778

11.1 Operating assets

Carrying amount at January 01		19,029,849	15,756,223
Additions during the period/year:			
- Owned assets			
Building		83,565	101,575
Plant and machinery		882,006	2,235,711
Office and household equipment		115,212	346,535
Furniture and fittings		-	38,788
Vehicles		-	9,132
		1,080,783	2,731,741
- Right of use assets IFRS16		919,984	1,890,236
- Leased assets			
Vehicles		599,505	955,959
		2,600,272	5,577,936

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Disposals during the period/year (net book value):		
- Owned assets		
Building	-	-
Plant and machinery	-	(969)
Office and household equipment	(2)	(2,688)
Furniture and fittings	-	(372)
	(2)	(4,029)
- Right of use assets IFRS16	(2,599)	-
- Leased assets		
Vehicles	(145,246)	(147,317)
	(147,847)	(151,346)
Depreciation/impairment charge for the period/year:	(1,809,185)	(2,152,964)
Carrying amount as at September 30/ December 31	19,673,089	19,029,849

11.1.1 During the nine months ended September 30, 2024, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 2,600,272 thousand (nine months ended September 30, 2023: Rs. 4,806,043 thousand). Operating fixed assets having net book value of Rs. 147,847 thousand were disposed off during nine months ended September 30, 2024 (nine months ended September 30, 2023: Rs. 128,578 thousand). Depreciation / impairment charge for nine months ended September 30, 2024 was Rs. 1,809,185 thousand (nine months ended September 30, 2023: Rs. 1,593,081 thousand).

	Sep 30, 2024 (Unaudited) Rs '000	Dec31, 2023 (Audited) Rs '000
11.2 Capital work in progress		
Carrying value as at the beginning of the period	2,641,929	1,045,717
Additions during the period/year	1,938,328	2,431,467
	4,580,257	3,477,184
Transferred to operating fixed assets	(557,000)	(835,255)
Carrying value as at end of the period	4,023,257	2,641,929

12. Long term investment in subsidiary company

This represents 500,001 (December 31, 2023: 500,001) fully paid ordinary shares of Rs.10 each in Phoenix (Private) Limited, a wholly owned subsidiary of the Company which has not yet commenced commercial production. The break up value of shares calculated by reference to net assets worked out to be Rs.10 per share based on financial statements for the nine months period ended September 30, 2024.

13. Loans and advances

These include non-interest bearing advances to employees of Rs. 35,137 thousand (December 31, 2023: Rs. 26,735 thousand).

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

14. Other receivables

These include following balances due from related parties:

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Holding company / associated companies		2,049,173	2,498,670
Subsidiary company		20,021	20,021
Employees retirement benefit plans		56,678	71,010

15. Cash and bank balances

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Cash at banks			
- saving accounts		4,203	4,720
- current accounts	15.1	5,834,818	17,934,175
		5,839,021	17,938,895

15.1 These include balances of Rs. 3,002,262 thousand (December 31, 2023: Rs. 2,041,856 thousand) held in foreign currency accounts.

16. Trade and other payables

16.1 These include following balances due to related parties:

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Holding company / associated companies		4,889,219	15,425,903
Employees retirement benefit plans		283,208	363,443

16.2 These also include 'contract liabilities' representing advances from customers amounting to Rs 377,899 thousand (December 31, 2023: Rs 2,890 thousand).

17. Short term running finance / export refinance - secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 6,500 million (December 31, 2023: Rs.6,500 million), which remained unavailed at the period end. 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 19.64% and 22.47% (December 31, 2023: 16.53% and 22.97%) per annum and is payable quarterly. The facilities are renewable on annual basis.

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

18. Lease liability

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total gross lease rentals due under various lease agreements aggregate to Rs. 3,902,797 thousand - short term Rs. 944,923 thousand and long term Rs. 2,957,874 thousand (December 31, 2023: Rs 3,422,042 thousand - short term Rs 852,765 thousand and long term Rs 2,569,277 thousand).

Financing rates of 11% to 23% (December 31, 2023: 11% to 23%) per annum have been used as discounting factor.

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.

	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
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20. Contingencies and commitments

20.1 Contingencies

Claims and guarantees

Claims against the Company not acknowledged as debt	3,024	3,024
Guarantees issued by banks on behalf of the Company	1,129,900	1,020,274
Post dated cheques to the Collector of Customs	4,998,675	6,423,688

Litigation

There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2023.

	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
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20.2 Commitments

Capital expenditure	2,439,365	-
Letters of credit outstanding	7,629,593	8,897,592

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

	Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
21. Cash generated from operations		
Profit before income tax	35,615,232	37,102,043
Adjustment for non-cash items:		
- Depreciation	1,809,185	1,593,081
- (Gain)/loss on disposal of property, plant and equipment	(132,392)	(105,372)
- Finance cost	569,580	461,350
- Finance income	(5,898,612)	(5,362,807)
- Exchange loss	512,596	848,865
- Information technology cost	3,164,450	-
- Provision for staff retirement benefit plans	399,749	358,164
	424,556	(2,206,719)
Changes in working capital:		
- Stock-in-trade	(7,846,845)	(30,391,624)
- Stores and spares	(48,384)	(104,817)
- Trade debts	2,677,861	1,311
- Loans and advances	(643,626)	158,938
- Short term prepayments	73,492	61,652
- Other receivables	405,126	2,496,708
- Trade and other payables	(2,429,561)	19,459,881
- Other liabilities	(13,981)	64,137
	(7,825,918)	(8,253,814)
Changes in long term deposits and prepayments	14,500	(643)
	28,228,370	26,640,867

Notes to the Condensed Interim Financial Statements (Un-audited) for the Nine months period ended September 30, 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.

	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost
	Rs '000		Rs '000	
	Total	Total	Total	Total
Financial assets measured at fair value				
Short-term investment	13,410,020	-	13,410,020	-
Financial assets not measured at fair value				
Deposits	-	27,895	-	42,395
Trade debts	-	9,860	-	2,687,721
Other receivables	-	2,687,293	-	3,092,419
Cash and bank balances	-	5,839,021	-	17,938,895
	13,410,020	8,564,069	14,557,699	23,761,430
Financial liabilities not measured at fair value				
Trade and other payables	-	(21,115,205)	-	(27,953,214)
Other liabilities	-	(2,075,209)	-	(2,089,190)
Finance lease obligation	-	(3,902,797)	-	(3,422,042)
Unpaid dividend	-	(2,545,514)	-	(8,141,160)
Unclaimed dividend	-	(133,968)	-	(105,081)
	-	(29,772,693)	-	(41,710,687)

The short term investments are classified under Level 2 fair value hierarchy.

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

Notes to the Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

23. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2023: 94.34%) shares of the Company. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Company. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Company.

The amounts due from and due to these parties are disclosed in the respective notes. All outstanding balances with related parties are to be settled in the normal course of business. None of the balances are secured. Transactions with related parties were as follows:

	Three months ended		Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Purchase of goods and services from				
Holding company	(1,399,187)	(1,599,622)	(1,400,940)	49,453
Associated companies	203,181	334,416	1,201,531	1,633,161
Sale of goods and services to				
Associated companies	1,092,304	2,175,582	3,139,040	4,551,645
Dividend				
Holding company	15,668,584	-	22,900,238	-
Associated companies	51,888	-	75,837	-
Royalty charged/(reversed)				
Associate companies	-	(310,113)	-	-
Employees retirement benefit plans - expense				
Staff pension fund	2,775	6,225	18,647	20,671
Staff defined contribution pension fund	64,796	50,357	178,249	140,507
Employees' gratuity fund	37,660	38,433	103,937	113,072
Management provident fund	30,076	23,387	82,673	67,232
Employees' provident fund	5,526	5,155	16,243	16,682

Notes to the Condensed Interim Financial Statements (Un-audited)

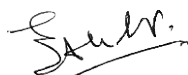
for the Nine months period ended September 30, 2024

24. Events after the reporting date

The Board of Directors in its meeting held on 24th October 2024 has declared interim dividend of Rs. 30.00 (2023: Rs. 10.00) per share. This interim dividend of Rs. 7,664,814 thousand (2023: Rs. 2,554,938 thousand) will be recorded as liability in the annual financial statements for the year ending on December 31, 2024 as required by the IAS 10 'Events after the Reporting Period'. These condensed interim financial statements do not reflect this dividend.

25. Date of authorisation for issue

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on October 24, 2024.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director

**Consolidated Condensed Interim
Financial Statements**
for the Nine months period ended September 30, 2024

Consolidated Condensed Interim Profit or Loss (Un-audited)

for the Nine months period ended September 30, 2024

	Note	Three months ended		Nine months ended	
		Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Domestic turnover		76,492,306	85,934,823	255,544,869	217,048,421
Export turnover		4,621,514	1,951,589	6,877,990	4,303,095
Gross turnover		81,113,820	87,886,412	262,422,859	221,351,516
Excise duties		(38,990,447)	(46,228,799)	(133,873,541)	(113,167,359)
Sales tax		(12,192,103)	(13,477,000)	(40,430,215)	(33,905,461)
Net turnover		29,931,270	28,180,613	88,119,103	74,278,696
Cost of sales	7	(11,508,918)	(10,890,442)	(46,058,983)	(30,354,795)
Gross profit		18,422,352	17,290,171	42,060,120	43,923,901
Selling and distribution costs		(1,302,367)	(1,688,618)	(5,104,468)	(4,988,957)
Administrative expenses		(725,866)	(751,183)	(3,888,916)	(3,226,687)
Other expenses	8	(1,268,285)	(862,214)	(2,915,557)	(3,616,948)
Other income	9	32,411	7,080	135,021	109,277
		(3,264,107)	(3,294,935)	(11,773,920)	(11,723,315)
Operating profit		15,158,245	13,995,236	30,286,200	32,200,586
Finance income	10	1,480,971	2,257,801	5,898,612	5,362,807
Finance cost		(189,606)	(159,156)	(569,580)	(461,350)
Net finance income		1,291,365	2,098,645	5,329,032	4,901,457
Profit before income tax		16,449,610	16,093,881	35,615,232	37,102,043
Income tax expense		(7,531,587)	(6,198,747)	(15,700,643)	(16,165,125)
Profit for the period		8,918,023	9,895,134	19,914,589	20,936,918
Earnings per share - basic and diluted (Rupees)		34.91	38.73	77.95	81.95

The annexed notes 1 to 24 form 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 (Un-audited)

for the Nine months period ended September 30, 2024

	Three months ended		Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Profit for the period	8,918,023	9,895,134	19,914,589	20,936,918
Other comprehensive loss or the period	-	-	(99,358)	-
Total comprehensive income for the period	8,918,023	9,895,134	19,815,231	20,936,918

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



Syed Ali Akbar
MD & Chief Executive Officer



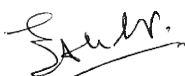
Syed Muhammad Ali Abrar
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Financial Position (Un-audited)

as at September 30, 2024

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Non current assets			
Property, plant and equipment	11	23,721,394	21,696,826
Advances for capital expenditure		360,179	1,346,732
Long term deposits and prepayments		27,895	42,395
		24,109,468	23,085,953
Current assets			
Stock-in-trade		54,519,146	46,672,301
Stores and spares		679,373	630,989
Trade debts		9,860	2,687,721
Loans and advances	12	1,290,045	646,419
Short term prepayments		147,224	220,716
Other receivables	13	2,723,950	3,143,408
Short term investments		13,410,020	14,557,699
Cash and bank balances	14	5,839,021	17,938,895
		78,618,639	86,498,148
Current liabilities			
Trade and other payables	15	36,810,806	39,130,385
Other liabilities		2,075,209	2,089,190
Lease liability	17	944,923	852,765
Unpaid dividend		2,545,514	8,141,160
Unclaimed dividend		133,968	105,081
Current income tax liabilities		5,926,942	3,285,951
		(48,437,362)	(53,604,532)
Net current assets		30,181,277	32,893,616
Non current liabilities			
Lease liability	17	(2,957,874)	(2,569,277)
Deferred tax liabilities		(1,309,928)	(2,095,119)
		(4,267,802)	(4,664,396)
Net assets		50,022,943	51,315,173
Share capital and reserves			
Share capital	18	2,554,938	2,554,938
Capital reserve		7,206,654	4,042,204
Revenue reserve - Unappropriated profit		40,261,351	44,718,031
		50,022,943	51,315,173
Contingencies and commitments	19		

The annexed notes 1 to 24 form 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 (Un-audited)

for the Nine months period ended September 30, 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 period:				
Profit for the period	-	20,936,918	-	20,936,918
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	20,936,918	-	20,936,918
Balance at September 30, 2023	2,554,938	45,006,307	-	47,561,245
Balance at January 1, 2024	2,554,938	44,718,031	4,042,204	51,315,173
Total comprehensive income for the period:				
Profit for the period	-	19,914,589	-	19,914,589
Other comprehensive income	-	(99,358)	-	(99,358)
Total comprehensive income for the period	-	19,815,231	-	19,815,231
Free of cost services and exempted recharges	-	-	3,164,450	3,164,450
Transactions with owners of the Company:				
1st Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
3rd Interim dividend for the year ending December 31, 2024 @ Rs. 35 per share	-	(8,942,283)	-	(8,942,283)
	-	(24,271,911)	-	(24,271,911)
Balance at September 30, 2024	2,554,938	40,261,351	7,206,654	50,022,943

The annexed notes 1 to 24 form 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 (Un-audited)

for the Nine months period ended September 30, 2024

	Note	Nine months ended	
		Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Cash flows from operating activities			
Cash generated from operations	20	28,228,370	26,640,867
Finance cost paid		(569,580)	(204,585)
Income tax paid		(13,844,843)	(12,047,105)
Contribution to retirement benefit funds		(465,652)	(468,562)
Net cash from operating activities		13,348,295	13,920,615
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,462,113)	(2,628,966)
Advances for capital expenditure		986,553	301,717
Proceeds from sale of property, plant and equipment		280,239	233,950
Interest received		5,898,612	5,362,807
Net cash from investing activities		4,703,291	3,269,508
Cash flows from financing activities			
Dividends paid		(29,838,670)	(2,937)
Lease payments		(1,460,469)	(1,302,710)
Export refinance facility repayment		-	(2,300,000)
Net cash used in financing activities		(31,299,139)	(3,605,647)
Net increase in cash and cash equivalents		(13,247,553)	13,584,476
Cash and cash equivalents at January 1		32,496,594	23,400,907
Cash and cash equivalents at Sep 30		19,249,041	36,985,383
Cash and cash equivalents comprise:			
Short-term investments		13,410,020	33,063,248
Cash and bank balances	14	5,839,021	3,922,938
Short term running finance		-	(803)
		19,249,041	36,985,383

The annexed notes 1 to 24 form 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

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

1. The Group and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is a subsidiary of the 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 sale of cigarettes, tobacco and Velo.

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 Jammu 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 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 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'). This interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with 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 condensed interim statement of financial position is extracted from 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 Group for the nine months period ended September 30, 2023.

These consolidated condensed interim financial statements are un-audited and is being submitted to the members of the Group 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 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.

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.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 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. Material accounting policies

The accounting policies and the methods of computation adopted in the preparation of these 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 not yet effective, and earlier application is permitted; however, the Company has not early adopted the new or amended standards.

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
	Rs '000	Rs '000	Rs '000	Rs '000

7. Cost of sales

Raw material consumed:				
Opening stock of raw materials and work in process	35,023,364	21,163,335	43,531,233	21,904,030
Raw material purchases and expenses	26,871,117	37,538,762	48,189,775	55,302,493
Excise duty, customs duty, regulatory duty and tobacco development cess etc.	308,087	171,734	642,838	1,435,896
Closing stock of raw materials and work in process	(51,641,549)	(52,424,427)	(51,641,549)	(52,424,427)
	10,561,019	6,449,404	40,722,297	26,217,992
Royalty	-	(310,112)	-	-
Production overheads	1,779,451	1,867,429	5,073,215	3,878,732
	12,340,470	8,006,721	45,795,512	30,096,724
Cost of finished goods				
Opening stock	2,046,045	5,756,238	3,141,068	3,130,588
Closing stock	(2,877,597)	(2,872,517)	(2,877,597)	(2,872,517)
	(831,552)	2,883,721	263,471	258,071
	11,508,918	10,890,442	46,058,983	30,354,795

7.1 During the nine months period ended September 30, 2024, the Company recorded a provision for inventory write-off amounting to Rs. 1,346,196 thousand (September 30, 2023 : Rs. nil). This primarily includes (a) raw materials imported under EFS rules for export to Sudan, and (b) other raw material / finished goods due to expiry risk.

Additionally, a provision amounting to Rs. 1,425,013 thousand was also recorded for duties & taxes related to Sudan materials.

8. Other expenses

Workers' Profit Participation Fund (WPPF)	885,164	864,333	1,735,905	1,992,591
Workers' Welfare Fund (WWF)	186,527	301,349	603,375	730,087
Bank charges and fees	18,402	10,872	63,681	45,405
Foreign exchange loss / (gain)	178,192	(314,340)	512,596	848,865
	1,268,285	862,214	2,915,557	3,616,948

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

	Three months ended		Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
9. Other income				
Gain on disposal of property, plant and equipment	31,557	5,787	132,392	105,372
Others	854	1,293	2,629	3,905
	32,411	7,080	135,021	109,277

10. Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 16.00% and 22.64% (nine months ended Sep 30, 2023 : 14.50% and 22.80%) per annum and is received on maturity.

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
11. Property, plant and equipment			
Operating assets	11.1	19,676,453	19,033,213
Capital work in progress	11.2	4,044,941	2,663,613
		23,721,394	21,696,826

11.1 Operating assets

Carrying amount at January 01		19,033,213	15,759,587
Additions during the period/year:			
- Owned assets			
Building		83,565	101,575
Plant and machinery		882,006	2,235,711
Office and household equipment		115,212	346,535
Furniture and fittings		-	38,788
Vehicles		-	9,132
		1,080,783	2,731,741
- Right of use assets IFRS16		919,984	1,890,236
- Leased assets			
Vehicles		599,505	955,959
		2,600,272	5,577,936

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Disposals during the period/year (net book value):		
- Owned assets		
Building	-	-
Plant and machinery	-	(969)
Office and household equipment	(2)	(2,688)
Furniture and fittings	-	(372)
	(2)	(4,029)
- Right of use assets IFRS16	(2,599)	-
- Leased assets		
Vehicles	(145,246)	(147,317)
	(147,847)	(151,346)
Depreciation/impairment charge for the period/year:	(1,809,185)	(2,152,964)
Carrying amount as at September 30/ December 31	19,676,453	19,033,213

11.1.1 During the nine months ended September 30, 2024, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 2,600,272 thousand (nine months ended September 30, 2023: Rs. 4,806,043 thousand). Operating fixed assets having net book value of Rs. 147,847 thousand were disposed off during nine months ended September 30, 2024 (nine months ended September 30, 2023: Rs. 128,578 thousand). Depreciation / impairment charge for nine months ended September 30, 2024 was Rs. 1,809,185 thousand (nine months ended September 30, 2023: Rs. 1,593,081 thousand).

	Sep 30, 2024 (Unaudited) Rs '000	Dec31, 2023 (Audited) Rs '000
11.2 Capital work in progress		
Carrying value as at the beginning of the period	2,663,613	1,067,401
Additions during the period/year	1,938,328	2,431,467
	4,601,941	3,498,868
Transferred to operating fixed assets	(557,000)	(835,255)
Carrying value as at end of the period	4,044,941	2,663,613

12. Loans and advances

These include non-interest bearing advances to employees of Rs. 35,137 thousand (December 31, 2023: Rs. 26,735 thousand).

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

13. Other receivables

These include following balances due from related parties:

	Note	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Holding company / associated companies		2,049,173	2,498,670
Employees retirement benefit plans		56,678	71,010

14. Cash and bank balances

Cash at banks			
- saving accounts		4,203	4,720
- current accounts	14.1	5,834,818	17,934,175
		5,839,021	17,938,895

14.1 These include balances of Rs. 3,002,262 thousand (December 31, 2023: Rs. 2,041,856 thousand) held in foreign currency accounts.

15. Trade and other payables

15.1 These include following balances due to related parties:

		Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
Holding company / associated companies		4,889,219	15,425,903
Employees retirement benefit plans		283,208	363,443

15.2 These also include 'contract liabilities' representing advances from customers amounting to Rs 377,899 thousand (December 31, 2023: Rs 2,890 thousand).

16. Short term running finance / export refinance - secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 6,500 million (December 31, 2023: Rs.6,500 million), which remained unavailed at the period end. 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 19.64% and 22.47% (December 31, 2023: 16.53% and 22.97%) per annum and is payable quarterly. The facilities are renewable on annual basis.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

17. Lease liability

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total gross lease rentals due under various lease agreements aggregate to Rs. 3,902,797 thousand - short term Rs. 944,923 thousand and long term Rs. 2,957,874 thousand (December 31, 2023: Rs 3,422,042 thousand - short term Rs 852,765 thousand and long term Rs 2,569,277 thousand).

Financing rates of 11% to 23% (December 31, 2023: 11% to 23%) per annum have been used as discounting factor.

18. 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.

	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
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19. Contingencies and commitments

19.1 Contingencies

Claims and guarantees

Claims against the Group not acknowledged as debt	3,024	3,024
Guarantees issued by banks on behalf of the Group	1,129,900	1,020,274
Post dated cheques to the Collector of Customs	4,998,675	6,423,688

Litigation

There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2023.

	Sep 30, 2024 (Unaudited) Rs '000	Dec 31, 2023 (Audited) Rs '000
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19.2 Commitments

Capital expenditure	2,439,365	-
Letters of credit outstanding	7,629,593	8,897,592

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

	Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
20. Cash generated from operations		
Profit before income tax	35,615,232	37,102,043
Adjustment for non-cash items:		
- Depreciation	1,809,185	1,593,081
- (Gain)/loss on disposal of property, plant and equipment	(132,392)	(105,372)
- Finance cost	569,580	461,350
- Finance income	(5,898,612)	(5,362,807)
- Exchange loss	512,596	848,865
- Information technology cost	3,164,450	-
- Provision for staff retirement benefit plans	399,749	358,164
	424,556	(2,206,719)
Changes in working capital:		
- Stock-in-trade	(7,846,845)	(30,391,624)
- Stores and spares	(48,384)	(104,817)
- Trade debts	2,677,861	1,311
- Loans and advances	(643,626)	158,938
- Short term prepayments	73,492	61,652
- Other receivables	405,126	2,496,708
- Trade and other payables	(2,429,561)	19,459,881
- Other liabilities	(13,981)	64,137
	(7,825,918)	(8,253,814)
Changes in long term deposits and prepayments	14,500	(643)
	28,228,370	26,640,867

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the Nine months period ended September 30, 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.

	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost
	Rs '000		Rs '000	
	Total	Total	Total	Total
Financial assets measured at fair value				
Short-term investment	13,410,020	-	13,410,020	-
Financial assets not measured at fair value				
Deposits	-	27,895	27,895	-
Trade debts	-	9,860	9,860	-
Other receivables	-	2,667,272	2,667,272	-
Cash and bank balances	-	5,839,021	5,839,021	-
	13,410,020	8,544,048	21,954,068	14,557,699
Financial liabilities not measured at fair value				
Trade and other payables	-	(21,115,232)	(21,115,232)	-
Other liabilities	-	(2,075,209)	(2,075,209)	-
Finance lease obligation	-	(3,902,797)	(3,902,797)	-
Unpaid dividend	-	(2,545,514)	(2,545,514)	-
Unclaimed dividend	-	(133,968)	(133,968)	-
	-	(29,772,720)	(29,772,720)	-

The short term investments are classified under Level 2 fair value hierarchy.

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

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the Nine months period ended September 30, 2024

22. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2023: 94.34%) shares of the Group. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Group. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Group.

The amounts due from and due to these parties are disclosed in the respective notes. All outstanding balances with related parties are to be settled in the normal course of business. None of the balances are secured. Transactions with related parties were as follows:

	Three months ended		Nine months ended	
	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000	Sep 30, 2024 Rs '000	Sep 30, 2023 Rs '000
Purchase of goods and services from				
Holding company	(1,399,187)	(1,599,622)	(1,400,940)	49,453
Associated companies	203,181	334,416	1,201,531	1,633,161
Sale of goods and services to				
Associated companies	1,092,304	2,175,582	3,139,040	4,551,645
Dividend				
Holding company	15,668,584	-	22,900,238	-
Associated companies	51,888	-	75,837	-
Royalty charged/(reversed)				
Associate companies	-	(310,113)	-	-
Employees retirement benefit plans - expense				
Staff pension fund	2,775	6,225	18,647	20,671
Staff defined contribution pension fund	64,796	50,357	178,249	140,507
Employees' gratuity fund	37,660	38,433	103,937	113,072
Management provident fund	30,076	23,387	82,673	67,232
Employees' provident fund	5,526	5,155	16,243	16,682

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

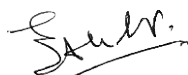
for the Nine months period ended September 30, 2024

23. Events after the reporting date

The Board of Directors in its meeting held on 24th October 2024 has declared interim dividend of Rs. 30.00 (2023: Rs. 10.00) per share. This interim dividend of Rs. 7,664,814 thousand (2023: Rs. 2,554,938 thousand) will be recorded as liability in the annual financial statements for the year ending on December 31, 2024 as required by the IAS 10 'Events after the Reporting Period'. These condensed interim financial statements do not reflect this dividend.

24. Date of authorisation for issue

These consolidated condensed interim financial statements have been authorised for issue by the Board of Directors of the Group on October 24, 2024.



Syed Ali Akbar
MD & Chief Executive Officer



Syed Muhammad Ali Abrar
Chief Financial Officer & Director



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