PTC
PAKISTAN TOBACCO COMPANY

POWER OF RESILIENCE

Annual Report 2024

POWER OF RESILIENCE

At PTC, resilience is the cornerstone of our journey towards creating A Better Tomorrow™. It is embodied in our unwavering commitment to Building a Smokeless World and empowering our people to deliver our transformative strategy.

The theme of Resilience reflects our ability to adapt, innovate, and persevere in the face of challenges. Whether it's acting with integrity, fostering inclusivity, or relentlessly pursuing innovation, our resilience ensures that we can navigate complexities while staying true to our purpose. By empowering our people and embracing collaboration, we are stronger together, driving sustainable growth and shaping a future defined by progress and possibility.

AWARD & ACCOLADES

Top Employer Award 2025

The Top Employer Award celebrates companies with outstanding workplace culture and employee practices. We are proud to be recognised as a Top Employer in Pakistan for the fifth time in six years, reaffirming our dedication to fostering an inclusive and rewarding work environment.

Global Diversity, Equity & Inclusion Benchmark Award 2024

The Global Diversity, Equity & Inclusion Benchmarks (GDEIB) Awards recognise organisations worldwide for excellence in DE&I practices. In 2024, we received six GDEIB Awards, reaffirming our commitment to fostering an inclusive workplace and setting industry benchmarks.

Dragons of Asia Award 2024

The Dragons of Asia Awards celebrate excellence in results-driven marketing across the region. In 2024, we were honored with the Silver Dragons Award for VELO™, recognizing our commitment to innovative brand engagement and consumer-centric strategies. This achievement reinforces our dedication to pioneering marketing excellence and setting new industry standards through a multi-category portfolio.

In this year's report

In this year's report

Financial Statements

Consolidated Financial Statements

About PTC

For 77 years, Pakistan Tobacco Company Limited ("PTC/Company") has been a driving force of resilience, innovation, and progress. As Pakistan's first multinational, we have played a pivotal role in shaping the country's industrial and economic landscape. From our humble beginnings in 1947 with a single warehouse near Karachi port, we have grown into one of the leading Fast-Moving Consumer Goods (FMCG) companies, setting unmatched quality standards and pioneering transformative advancements.

Our legacy of innovation runs deep. We were the first to introduce Flue Cured Virginia tobacco in Pakistan, an initiative that not only redefined the industry but also led to the development of other key sectors, such as the modern printing and packaging business. With each decade, our footprint expanded—establishing state-of-the-art factories in Akora Khattak and Jhelum, driving high-speed technology in manufacturing, and embracing digital transformation to enhance operational efficiency.

Yet, our greatest strength lies in resilience—the ability to adapt, lead, and thrive amidst change. As societal attitudes, regulatory landscapes, and consumer needs evolve, we continue to embrace innovation and sustainable production practices, ensuring that our business remains future-ready. Our commitment to responsibility and progress has propelled us beyond traditional categories. We have evolved into a multi-category business since the launch of VELO™—a step that positioned us on the global stage, and our Modern Oral manufacturing facility in Jhelum now serves as an export hub, exporting to Japan, Hungary, France, Peru, with more markets to be added in the coming years.

Today, as we export our innovations worldwide, our transformation continues. Backed by a world-class talent pool, strategic collaborations, and cutting-edge manufacturing, we are shaping the future of our industry. As part of BAT Group's global ambition of Building a Smokeless World, we remain committed to creating A Better Tomorrow™—where resilience, innovation, and progress go hand in hand.
And this is just the beginning.

Our Locations

02 Factories
Jhelum Factory (Cigarette and Modern Oral Manufacturing Unit)
Akora Khattak (Green Leaf Threshing and Cigarette Manufacturing Unit)

04 Regional Sales Offices
Lahore, Multan, Karachi and Rawalpindi

04 Regional Leaf Offices
Mardan, Swabi, Buner and Mianwali

17 Area Sales Office
Quetta, Sukkur, Hyderabad, Nawabshah, Sahiwal, Bahawalpur, Gujranwala, Faisalabad, Peshawar, Jhelum, Sargodha, Karachi, Multan, Lahore, Islamabad, Northern Area and D.G Khan

09 Warehouses
Islamabad, Gujrat, Lahore, Faisalabad, Multan, Karachi, Hyderabad, Sukkur and Quetta

18 Leaf Depots
Shergarh, Jamalgarhi, Sharifabad, Mandani, Azeemabad, Roshanpura, Faujoon, Yar hussain, Firdousabad, Jalbai, Yaqoobi, Baffa, Bherkund, Buner, Chamla, Paikhel, Okara and Kunjah

Corporate Information

Registered Office
Pakistan Tobacco Company Limited
Serena Business Complex, Khayaban-e-Suhrwardy
P.O. Box 2549 Islamabad - 44000
T: +92 (51) 2083200, 2083201, F: +92 (51) 2604516
www.ptc.com.pk

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

Company Secretary
Sami Zaman
T: +92 (51) 2083300

Factories
Akora Khattak Factory
P.O Akora Khattak, Tehsil and District Nowshera
Khyber Pakhtunkhwa
T: +92 (923) 561561-72, F: +92 (923) 561502

Jhelum Factory
G.T Road, Kala Gujran, Jhelum
T: +92 (544) 646500-7, F: +92 (544) 646524

Auditors
KPMG Taseer Hadi & Co.
6th Floor, State Life Building No. 5,
Jinnah Avenue, Blue Area, Islamabad 44000
T: +92 (51) 2823558, F: +92 (51) 2822671

Share Registrar
FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran, Nursery Block 6,
P.E.C.H.S., Shahrah-e-Faisal, Karachi
T: +92 (21) 34380101-5, 34384621-3

Regional and Area Sales Offices

Central Punjab

Regional Sales Office
200-FF Block, Central Commercial Area,
Phase 4, DHA, Lahore Cantt.
T: +92 (42) 35899351-55

Area Sales Offices
The Orion, 2nd Floor, Office # 1,2,3 8-G,7-B
Kohinoor City, Faisalabad.
T: +92 (41) 8740892-4

G.T Road, Rahwali, Gujranwala Cantt
T: +92 (55) 3864297

Southern Punjab

Regional Sales Office
Office No. 601/602, 6th Floor,
The United Mall, Main Abdali Road, Multan
T: +92 (61) 4512553, 4585992

Area Sales Offices
House No. 42/3, Tipu Shaheed Road,
Model Town A, Bahawalpur
T: +92 (62) 2877576

House #50 Ganj Shaker Colony
Muhammad Pur Road Sahiwal
T: +92 (40) 4500216-7

Bungalow No. A/31 Akhuwat Nagar,
Shikarpur Road, Sukkur
T: +92 (71) 5807225 - 5807224

North

Regional Sales Office
8th Floor, Amazon Mall, Near DHA Gate-2
GT Road Rawalpindi
T: +92 (51) 5734207-09

Area Sales Offices
Cigarette Factory, G.T Road, Jhelum
T: +92 (544) 646500-11, F: +92 (541) 646529

MM Plaza, Plot # 110-111, Soni Pura Chak
47 Road, Shaheen Park, Sargodha
T: +92 (48) 3769921

2nd Floor Marina Mall Opposite Chief
Burger Near Abdara Chowk Main
University Road Peshawar
T: +92 (91) 5702649-50

Sindh & Balochistan

Regional Sales Office
Office No. 903, 9th Floor, Emerald Tower
(Plot No. G - 19), Main Clifton Road,
Clifton Block 5, Karachi 75600
T: +92 (21) 35147690-94

Area Sales Offices
Office No. 5 & 6, Second Floor, Dawood
Centre, Main Auto Bahn Road, Hyderabad
T: +92 (22) 3813636

Bunglow No. A-17, Housing Society, (Near
SSGC Regional Office), Nawabshah
T: +92 (244) 364463-364458

B-604, 2nd Floor, (Serena Bazar), Serena
Hotel Quetta, Quetta
T: +92 (81) 2832012-13

Product Portfolio

New Categories

VELO

Launched in 2019, our New Category portfolio of Modern Oral comes in a wide variety of flavours varying in nicotine ranges i.e. 6mg, 10mg & 14mg and two pouch formats, Mini and Slim.

Flavours included (across the nicotine ranges):

POLAR MINT	FROSTY LEMON
BERRY FROST	MANGO FLAME
BLUSHY STRAWBERRY	MIGHTY PEPPERMINT
RICH ELAICHI	TROPICAL BREEZE
WINTRY WATERMELON	PEPPERMINT STORM

18+ ONLY. THIS PRODUCT CONTAINS NICOTINE AND IS ADDICTIVE. KEEP OUT OF REACH OF CHILDREN.

Combustibles

DUNHILL LIGHTS
DUNHILL SWITCH
DUNHILL SPECIAL

Dunhill, our global drive brand and a true international premium offer, has been leading innovations in the market since its launch in 2008.

JOHN PLAYER
GOLD LEAF CLASSIC

The story of John Player Gold Leaf starts from the story of its founder John Player, who started a small tobacco selling business In 1877 and turned it into a Company: John Player & Sons. John Player Gold Leaf is the leading premium offer in the country.

BENSON & HEDGES

B&H has returned to the market as an aspirational premium brand, proudly carrying its rich heritage built over the years.

CAPSTAN BY PALL MALL ORIGINAL
CAPSTAN FILTER
CAPSTAN INTERNATIONAL

Capstan is our global flagship brand and currently the leading & most popular brand in the country.

GOLD FLAKE
GOLD FLAKE SOFT CUP

Gold Flake enjoys a rich history and legacy in the market and is still among the most popular offerings in Pakistan.

EMBASSY

Embassy has established a rich heritage over the years and continues to thrive on the unwavering loyalty of its consumers.

JOHN PLAYER

Introduced in 2018, John Player stands as the most modern and aspirational premium brand tailored for the downtrading consumer.

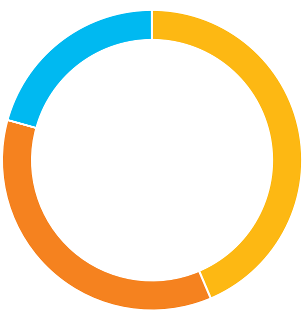
BAT Group Overview

Our regional profile maximises opportunities for quality growth in our sector. Each of our markets is accountable for its own performance and driving growth.

Our business is divided into three complementary regions, with a balanced presence in both high-growth emerging markets and highly profitable developed markets.

Our in-depth marketplace analysis delivers insights on consumer trends and segmentation, which facilitates our geographic brand prioritisation across our regions and markets.

Consumer preferences and technology are evolving rapidly, and we are staying ahead of the curve with our digital hubs and innovation centres. We are also leveraging the expertise of our external partners and are looking forward to exciting results from our venturing initiative, Btomorrow Ventures.

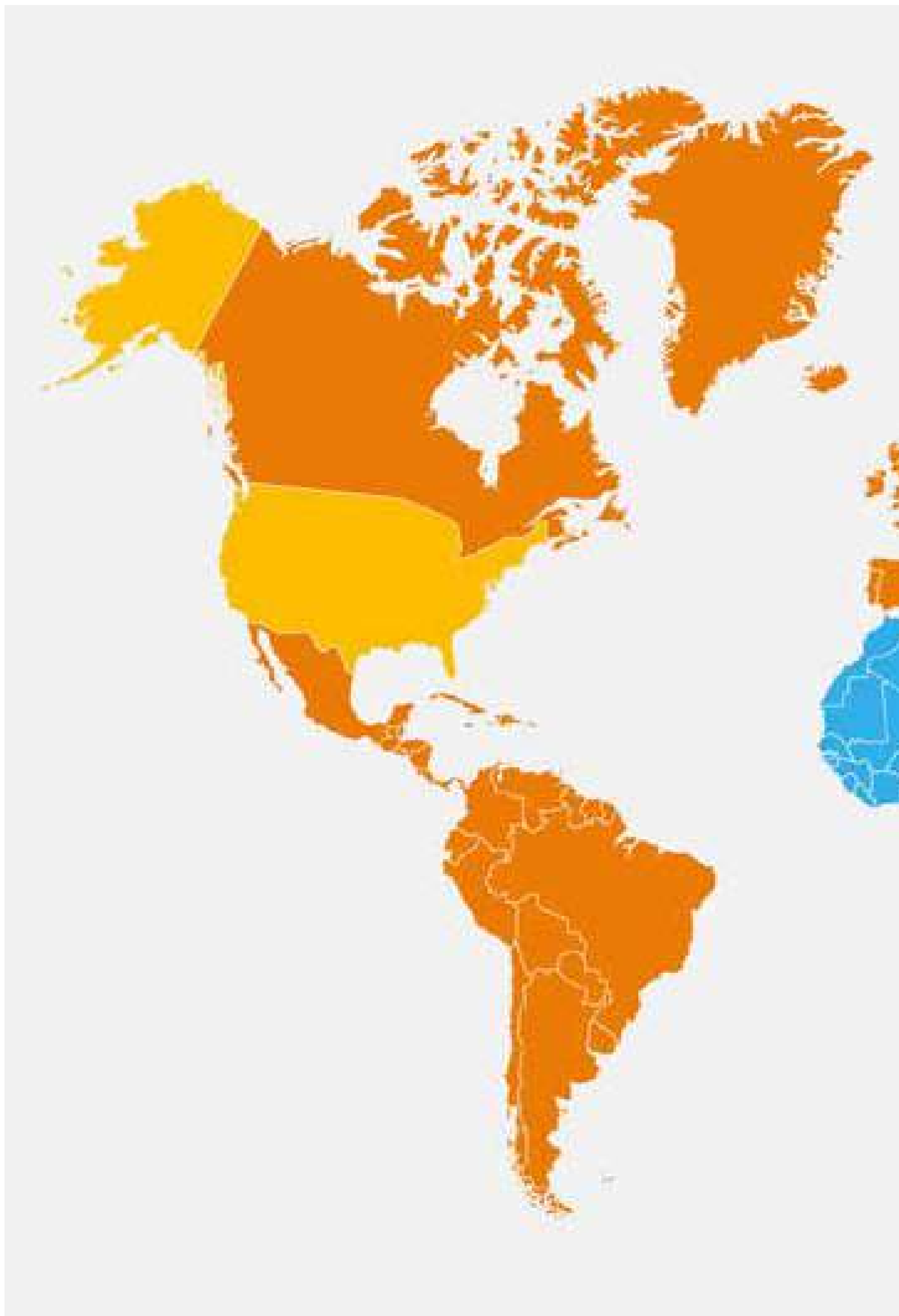


£25,867m

Total revenue

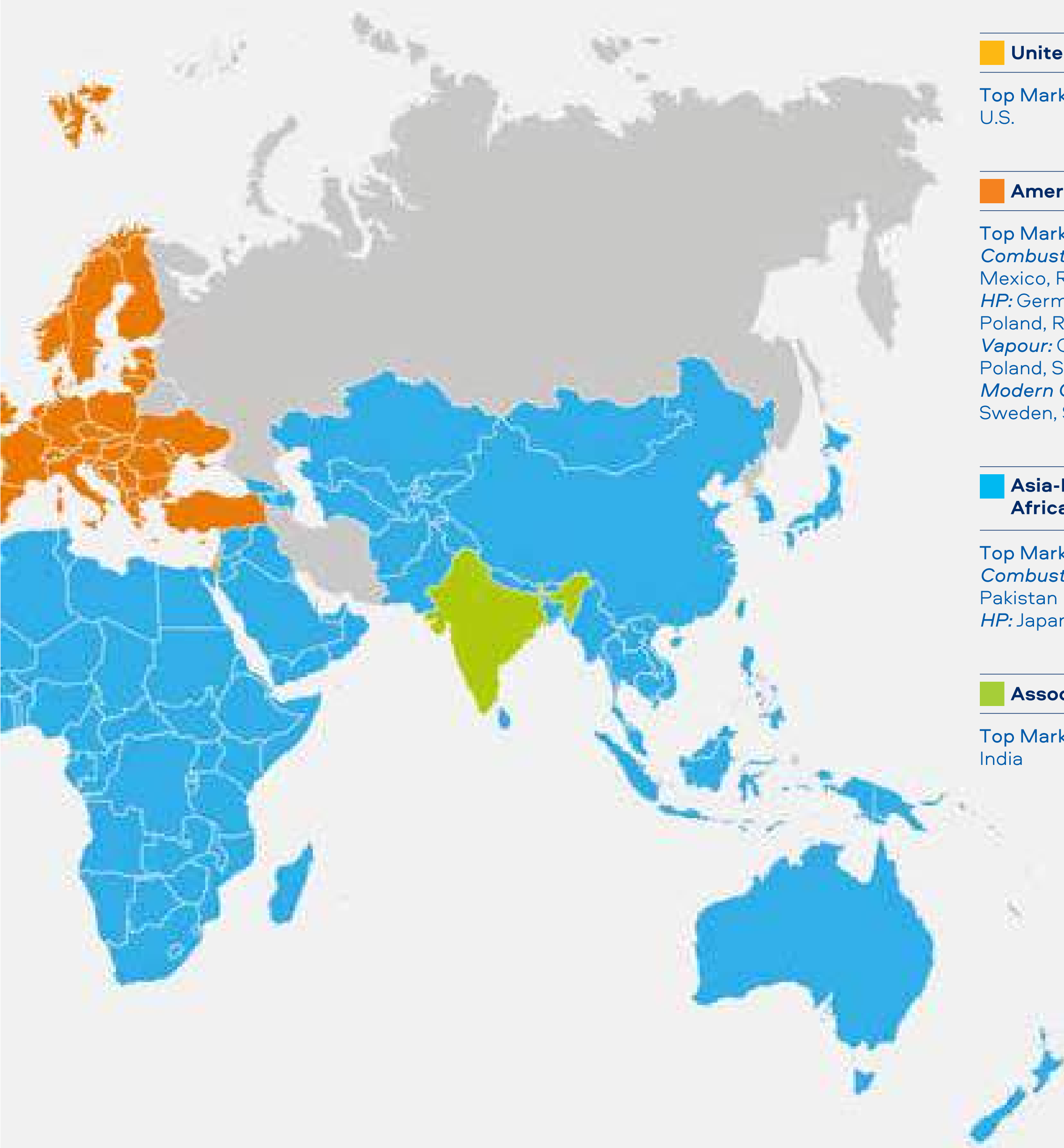
U.S.	**£11,278m**
AME	**£9,241m**
APMEA	**£5,348m**

Three Complementary Regions



Note:
Map is accurate as at 31 December 2024 and is representative of general geographic regions and does not suggest that the Group operates in each country of every region.

5	140	3	48,000+
Major Product Categories	**Employee Nationalities**	**Regions**	**Employees**



United States of America (U.S.)

Top Markets:
U.S.

Americas and Europe (AME)

Top Markets:
Combustibles: Brazil, Germany, Mexico, Romania
HP: Germany, Greece, Hungary, Italy, Poland, Romania, the Czech Republic
Vapour: Canada, France, Germany, Poland, Spain, the UK
Modern Oral: Denmark, Norway, Sweden, Switzerland, Poland, the UK

Asia-Pacific, Middle East and Africa (APMEA)

Top Markets:
Combustibles: Bangladesh, Japan, Pakistan
HP: Japan, South Korea

Associates and Joint Ventures

Top Markets:
India

BAT Strategic Navigator

A Better Tomorrow™
Building a Smokeless World

To deliver on our vision of Building a Smokeless World, our aim is to become a predominantly smokeless business - with 50% of our revenue in Non-Combustible products by 2035. To enable this, we have refined our Group strategy to ensure clear lines of sight across the entire organisation. Built around the three pillars of **Quality Growth**, **Sustainable Future** and **Dynamic Business**, our Strategic Navigator outlines the nine priority building blocks that support the achievement of our ambition to Build a Smokeless World. Through these priorities, we will deliver the strategic outcomes against which our performance will be measured.

Our Purpose:
A Better Tomorrow™

Our Vision:
Building a Smokeless World

Our Mission:
To encourage smokers to Switch to Better

Purpose/Vision/Mission

Pillars & Building Blocks

Delivering for
Consumers
Society
Employees
Shareholders & Investors

Quality Growth
Transitioning to a more balanced focus on top-line and bottom-line delivery, focusing on our brands and innovation, and continuing to seek long-term opportunities Beyond Nicotine.

Sustainable Future
Seeking to actively migrate consumers away from cigarettes and to smokeless alternatives sustainably, responsibly and with integrity.

Dynamic Business
Building a future-fit, data-driven organisation and ensuring we are efficient and effective in all of our operations.

Our Values

TRULY INCLUSIVE

We embrace diversity and celebrate our differences.

We are curious and we safeguard the right to say what you think.

We debate constructively yet progress together.

DO THE RIGHT THING

We act with integrity to achieve results.

We care about our impact on society and our planet.

We are thoughtful in our decision making.

LOVE OUR CONSUMER

We understand the consumer better than anyone.

We are obsessed with innovation and our brands.

We have the courage to test, fail fast and learn to improve.

PASSION TO WIN

We equally value the “how” and the “what” and go the extra mile for success

We prioritize effectively and act like owners of our business

We own our purpose with determination and resilience

EMPOWERED THROUGH TRUST

We start with trust and believe in each other

We ensure decisions are made at the right level

We understand that empowerment comes with accountability

STRONGER TOGETHER

We pull together as one team, through good and bad

We collaborate beyond borders and functions

We help each other grow and succeed

Our People

Our legacy thrives on exceptional leadership and the dedication of our people, fostering a diverse, equitable, and inclusive workplace. We cultivate creativity, innovation and talent through structured learning, healthy competition, and strong leadership development, shaping a future-ready organisation.

Battle of Minds 2024

Battle of Minds (BoM) 2024 continued its legacy as a key platform for young talent and innovation. With 518 registrations—a 200% increase from last year—and participation from 30 universities across Pakistan, this year's competition was one of the most impactful yet. The theme, Wellbeing & Stimulation, tied perfectly into BAT's transformation, sparking fresh ideas and solutions.

BoM also embraced a virtual format with 26 Campus Drive Organisers (CDOs) ensuring the competition was accessible to a wider audience. Alongside this, 11 physical campus drives took place, including visits to 3 renowned incubation centers, where we connected directly with young talent. The semi-finals featured 10 standout teams, and 3 teams made it to the grand finale, showcasing truly remarkable ideas.

Talent and Capability

We are committed to the growth and development of our employees at every career stage. This year, the **Leading Self** training brought together 16 G33 and G34 employees for a two-day, 8-module program. It equipped them with essential soft skills to navigate change, manage ambiguity, and create influence across the organisation.

The **Leading Teams** program equipped our G34 and G35 people managers with skills to engage teams, align them to a shared purpose, and foster a high-performance environment. The two-day, 9-module program helped 21 managers develop capabilities to lead responsibly and drive team success at PTC.

Cultivating future leaders, our **Global Graduate Program** is designed to groom graduate recruits into prospective leaders of tomorrow.

Our **Accelerate Program,** a year-long capability uplift program for our early-career marketing professionals. It is designed to fast-track career progression by providing exposure via short-term formal attachments with various sub-functions and offering extensive on-job learning. This helps build capabilities and nurture talent for future mid-career opportunities, upon successful completion of the program.

Catalyst, another flagship program, consists of multiple cohorts to spearhead our Company's transformation agenda and create a legacy of disruptive future leaders. The cohorts consist of a

Our People

diverse and multi-generational group of members spanning across functions and locations with the primary objective of ideation and innovation.

In 2024, the People & Culture Club introduced three key workstreams—**Engagement, Rewards,** and **Culture & Inclusion—**to align Company initiatives with employee needs. Highlights in Rewards included the Fertility Leave Policy, enhancements to Medical, Sabbatical, and Childcare policies, and new initiatives like Fuel Allowance for Non-Management and Friday Work from Home. To navigate economic challenges, we ensured our rewards package remained competitive through inflation relief, above-market salary increments, and policy adjustments.

Two impactful initiatives, **Humrah** (Fellow) and **Parwaaz** (Flight), were launched to foster cross-functional collaboration and employee development through wilderness-based expeditions. Set in mountainous environments, these offsite experiences brought together employees across grades and functions, encouraging meaningful conversations, quality downtime, and reflection on Company values.

To enhance employee wellbeing, we launched monthly **Power Hour** sessions, offering valuable downtime and boosting engagement across teams.

We have launched several recognition platforms, including **HPO Moments** in Operations, **Janbaz** in Marketing, and **High Fives** in Corporate, boosting a culture of achievement and celebration. Regular engagements and pulse checks, including over 50 employee forums, such as **YV Focus Groups, Daira** (Culture Champions), **Let's Talk,** and **CommuniCafe** have enabled us to stay connected with our teams and keep the momentum going, making PTC "The Place to Be."

Diversity, Equity and Inclusion

We are proud to be globally recognised for our commitment to DE&I, winning six GDEIB awards in 2023 and 2024, highlighting our leadership in creating an inclusive workplace. Additionally, for the fifth time in six years, we were named a Top Employer in Pakistan.

This year, we also launched **Uraan** ("flight of ambition"), an apprenticeship program that bridges the gap between academic potential and industry readiness for underprivileged scholars. This initiative strengthens our talent pipeline and supports our commitment to nurturing diverse talent.

At PTC, we have made remarkable progress in advancing gender diversity. In traditionally male-dominated sectors, women now lead key functions such as Quality, Warehouse & Logistics, EH&S, and IWS, driving excellence and innovation across our workforce. Through initiatives like **Women in Leadership** sessions, the **Women in Trade Allyship Program**, and **InspireHer Mentorship**, we continue to develop and support female leaders.

PTC has firmly positioned itself as a Talent Export Hub. Over the past three years, 60+ talented professionals have been placed in global roles across the BAT world, with two standout employees now contributing at the Management Board level. This achievement highlights the exceptional caliber of our people and their ability to drive impactful business outcomes on a global stage.

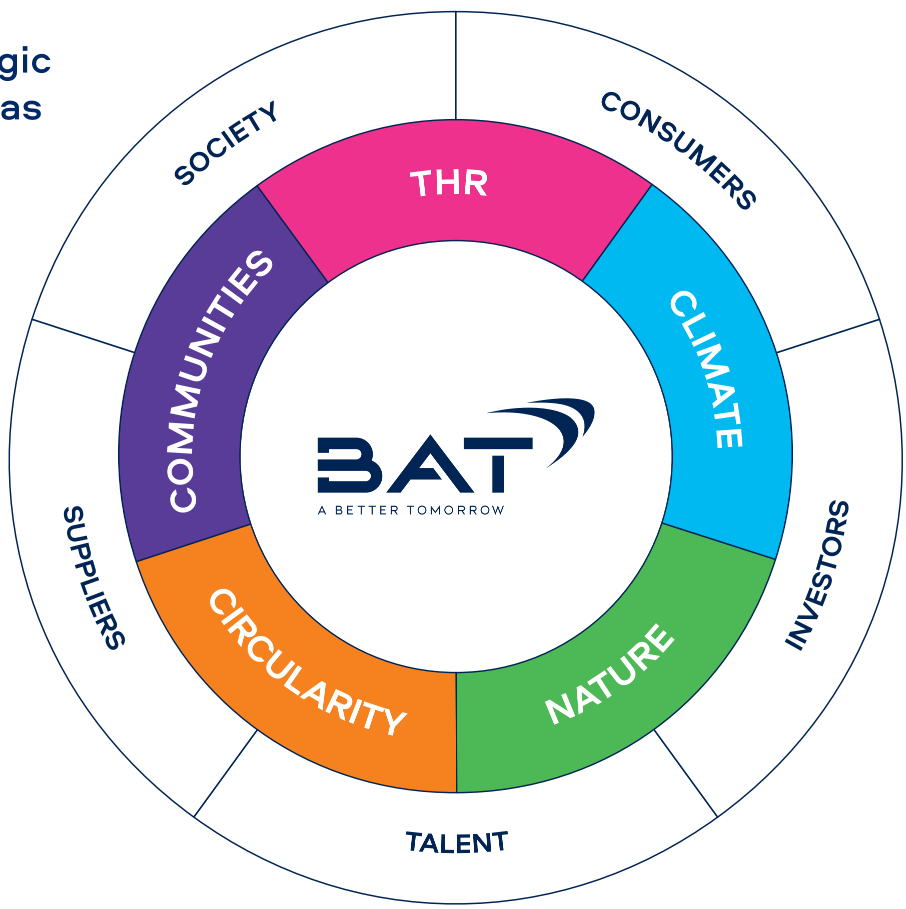
Statement on Gender Pay Gap

Our compensation framework adheres to a structured pay system, where pay ranges are established for each grade, ensuring equitable application regardless of gender. The variations within the same pay grades are determined by individuals' performance and experience, rather than gender. This approach guarantees fairness, transparency, and equal opportunities for growth and development within our organisation. Our commitment to diversity, equity, and inclusion is reflected in our Compensation Policies, which prioritise merit, performance, and experience over gender considerations.

BAT Group's Sustainability Strategy

The BAT Group seeks to take a leading role in tackling some of the biggest global sustainability challenges. It aims to do this by responsibly Building a Smokeless World, reducing its use of natural resources and delivering its climate goals as it transitions to A Better Tomorrow™. The BAT Group strives to create a meaningful impact in the communities where it operates and inspire all its people to drive change.

Five Strategic Impact Areas



PTC's 2024 Sustainability Overview

CLIMATE

We continue to transition towards a low carbon economy by reducing our Scope 1 and 2 GHG emissions through improving energy efficiencies and increasing renewable energy use where possible. Since 2022, we have been purchasing I-RECS annually as part of our efforts to decarbonise our Scope 2 emissions.

PTC's Modern Oral factory is fully powered by renewable electricity. In an effort to reduce our dependence on fossil fuels and leverage renewable energy sources, we have installed the largest on-site solar park within the BAT Group, boasting a combined capacity of 5.3 MW.

NATURE

We are currently running the oldest and largest private sector afforestation program in the country and operate 6 nurseries across Pakistan. Since 1981, PTC has planted and distributed more than 160 million trees and saplings through this program.

Our Leaf department continues to partner with the National Rural Support Program (NRSP), to carry out afforestation initiatives in the rural communities of Pakistan. This 13-year partnership has enabled us to develop a wood fuel source for tobacco production with 100% traceability. Additionally, our Leaf department established partnerships with the Forest and Irrigation Departments of the Pakistan Government, to develop conservation forest sites.

Our direct operations have implemented water stewardship practices to help ensure responsible water use and reduce waste. By adhering to the Alliance for Water Stewardship (AWS) standards, we have not only enhanced operational efficiency but also aim to contribute to the improved water quality and protection of the surrounding environment. In 2024, our Jhelum factory produced zero wastewater discharge.

We continue to work closely with our directly contracted farmers and Leaf suppliers to promote improved agricultural technologies and practices.

CIRCULARITY

At our two factories in Jhelum and Akora Khattak, more than 99% of solid waste is recycled through Government-approved waste handling vendors. We encourage farmers to collect empty Crop Protection Agents (CPA) containers and return them to nearest Leaf depots for recycling.

THR

As we transition to A Better Tomorrow™ by Building a Smokeless World, we believe that progressive, evidence-based regulation – supported by meaningful enforcement – is the key to reducing smoking incidence.

COMMUNITIES

In line with the Group strategy, we aim to support the livelihood and resilience of our communities. We respect the rights of our communities and seek to responsibly source materials.

Since 1985, we have been providing free medical consultations and medication to underserved communities. With a fleet of 12 Mobile Doctor Units (MDUs) equipped with state-of-the-art healthcare technology, we continue to expand our reach. Our services now cover 12 districts across KPK and Punjab, offering services to 135,000 community members and having conducted five health camps in 2024 to further support community well-being.

To address the widespread issue of waterborne diseases, we've built and maintain 26 water filtration plants across 9 districts, with the aim to provide 20,000 liters of clean water daily to underserved communities. A monthly maintenance plan helps to ensure optimal water quality and sustainability for all filtration plants.

PTC's 2024 Sustainability Highlights

CLIMATE

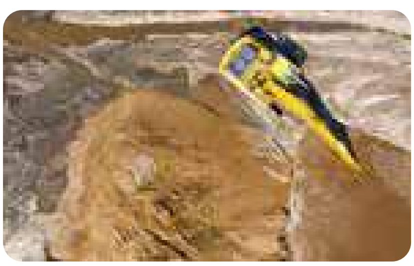
- Advanced towards our Scope 1 and 2 emission reduction targets.
- Energy reduction initiatives and increased use of renewable fuels resulted in renewable energy being 41.6% as a percentage of total energy use.
- Our Scope 2 CO_2 emissions decreased from 5,438 thousand tonnes in 2023 to 616 thousand tonnes in 2024, representing a 88.7% year-on-year reduction supported by our I-RECS purchase.

NATURE

- Planted 44 hectares of native forest species across conservation sites in collaboration with the Irrigation and Forest Departments of Pakistan.

  Developed 350 afforestation blocks through Leaf's partnership with NRSP.

  In 2024 alone, 4.2 million saplings were distributed, with over 160 million saplings distributed since the program's inception.
- Both of our factories are Alliance for Water Stewardship (AWS) Certified.
- To conserve freshwater, PTC's two factories achieved water recycling rates of over 45% in 2024.



CIRCULARITY

- Both our factories reduced solid waste generation and achieved a waste recycling rate of 99.8%.
- In alignment with BAT Group's goal of reducing operational waste to less than 1% by 2025, PTC has consistently reduced landfill waste, achieving 0.05% waste to landfill in 2024.

COMMUNITIES

- Conducted specialized training sessions for farming communities, with a particular focus on women who play a vital role in agriculture within tobacco-growing regions. These tailored programs covered key topics such as child health and education, farm safety, kitchen gardening, and farm economics.
- Enrolled 2,484 children of our directly contracted farmers in 40 summer camps in collaboration with the Vision21 Foundation.
- Established five training centers for 250 students, offering courses in software, agribusiness and leadership.
- Supported mushroom cultivation as an alternative income source, benefiting 500 directly contracted farmers.

Tracking Progress

PTC's Performance against BAT's Targets and Ambitions

CLIMATE

50% absolute reduction in Scope 1 and 2 GHG emissions by 2030 versus 2020 baseline

Year	Total scope 1 and 2 (Market-based) CO2 emissions (thousand tonnes)	Scope 1 CO2 emissions (thousand tonnes)	Scope 2 CO2 emissions[1] (thousand tonnes)
2022	19,918	10,233	9,685
2023	13,832	8,394	5,438
2024	9,108	8,492	616

Increase in the amount of renewable energy we use to 50% by 2030

Year	Total energy use across PTC's operations (GJ)	Renewable energy use as % of total direct energy use	Renewable energy use (GJ)
2022	286,816	7.1%	20,480
2023	241,795	21.3%	51,623
2024	247,681	41.6%	102,938

NATURE

35% reduction in water withdrawn by 2025 versus 2017 baseline

Year	Total water withdrawn (cubic meters m³)	Reduction in water withdrawn vs 2017 baseline (%)
2022	154,466	26.3%
2023	117,772	43.8%
2024	109,628	47.7%

100% of operations sites to be Alliance for Water Stewardship (AWS) certified by 2025

Year	Percentage of AWS certified sites (%)
2022	50%
2023	100%
2024	100%

30% water recycling rate by 2025

Year	Total water recycled (cubic meters m³)	Percentage of total water recycled (%)
2022	110,003	41.6%
2023	85,738	42.1%
2024	82,620	43.0%

CIRCULARITY

Less than 1% of our operational waste going to landfill by 2025

Year	Total waste generated (tonnes)	Waste to landfill (tonnes)	Waste to landfill (%)
2022	9,142	15	0.17%
2023	7,087	13	0.18%
2024	6,234	3	0.05%

90% recycling rate of total waste generated by 2025

Year	Total waste recycled (tonnes)	Total waste recycled (%)
2022	6,222.97	93.1%
2023	6,925.09	97.7%
2024	8,512	99.8%

COMMUNITIES

Working to enable prosperous livelihoods for all farmers in our tobacco supply chain[2]

Year	Percentage of farm business management training coverage (%)	Percentage of farmers in our tobacco supply chain reported to grow other crops for food or additional sources of income (%)	Support through charitable donations and community investment programmes — Total contributions (PKR millions)	Percentage of farmers reported as having access to at least one type of grievance mechanism (%)
2022	100%	86%	116	100%
2023	100%	81.1%	97	100%
2024	100%	97.6%	135.81	100%

Aiming for full coverage of farmers and workers with sufficient PPE for agrochemical use and tobacco harvesting

Year	Percentage of farms reported to have sufficient PPE for agrochemical use and harvesting (%)
2022	100%
2023	100%
2024	100%

Increase the proportion of women in management roles[3] to 45% and on senior leadership teams[4] to 40% by 2025

Year	Percentage of female representation in management roles (%)	Percentage of female representation in senior leadership teams (%)
2022	24%	18%
2023	26%	22%
2024	27%	18%

Aiming for 100% adherence to our Standards of Business Conduct (SoBC)

Year	Number of established SoBC breaches	Number of disciplinary actions taken as a result of established SoBC breaches that resulted in people leaving BAT
2022	6	1
2023	36	2
2024	11	1

Notes: 1. Scope 2 Market Based emissions and Scope 2 Location Based emissions are the same. 2. Our ambitions cover all tobacco we purchase for our products ('tobacco supply chain'); which is used in our combustibles, Traditional Oral and Heated Products. Our metrics, however, derive data from our annual Thrive assessment, which includes our directly contracted farmers and those of our third party suppliers, which represented over 93% of the tobacco we purchased by volume in 2024 ('Thrive Supply Chain')." 3. The number of female management-grade employees, as a percentage of the total number of management-grade employees. Management-grade employees include all employees at job grade 34 or above, as well as any global graduates. 4. Members of senior leadership teams are defined as any employee who is either a direct report of a Management Board member or a direct report of a Management Board's direct report.

Operational Excellence

PTC's operational excellence journey, driven by the Integrated Work System (IWS) and its core principles of continuous improvement, zero loss mindset, and total employee ownership, advanced significantly this year as we prepared for IWS Phase 3. A key achievement was integrating all sites into One Virtual Factory, aligning operational strategies through Organisation Performance Management (OPM) and the Strategic Development & Deployment System (SDDS). This integration strengthens collaboration, streamlines processes, and positions us for successful IWS Phase 3 accreditation. These foundational efforts drive digitalization, optimize production, enhance performance, and support our vision of touchless operations.

Global Impact through PIT Crew

Our Akora Khattak factory (AKF) leads global sustainable transformation with the Pakistan IWS & Technical (PIT) Crew. This skilled team delivers cost-effective technical solutions internationally, reducing reliance on third-party services. Three PIT Crew batches have supported Nigerian operations, with two more assisting Sudan. The crew's expertise in autonomous maintenance has also benefited South Korea, South Africa, Sri Lanka, and Brazil, enhancing process stability and equipment ownership through training programs.

Digital Transformation

This year marked significant progress in our digital transformation. The Digital Pillar integrates cutting-edge technologies across operations, improving efficiency, cost savings, productivity, and decision-making. We developed capabilities on advanced automation platforms to automate tasks, enhance data analytics, and create real-time dashboards.

Octagon, upgraded from e-Metrica provides real-time data for faster decision-making. The Digital Twin gives insights into operational losses, helping to improve performance and reduce failures. Line DDS, Shift DDS, and Cell DDS automate production, reducing manual work and ensuring consistency. Digi Chill and Smart Enercon help optimize energy use, driving savings and supporting sustainability.

In Primary Manufacturing (PMD), the Touchless Production system centralizes operations for remote control, reducing manual work. This successful IWS Phase 3 initiative is expanding to the Modern Oral plant. The Ultimate Control Tower (UCT) enhances demand forecasting by connecting the factory, supply chain, and consumer.

These digital efforts have increased our MTBF to 90 minutes, showcasing the impact of digital integration.

Operational Excellence

Focus on FMC

Despite economic challenges, our focus on FMC was to enhance adaptability and growth. The successful integration of Sudan into Pakistan's export portfolio enhanced resilience and our global image. Track & Trace system improvements reduced export waste. Octagon and the Digital Twin, combined with Kaizen initiatives, improved manufacturing visibility and MTBF. Papyrus introduction for JPGL and the installation of Online Recovery Machines (ORMs), Slitters, and Online Cigarettes & Winnower Recovery Systems (OCWRs) enhanced waste recycling and sustainability.

Modern Oral's Transformative Year

Modern Oral achieved significant milestones in 2024. Exports to Japan, Peru, Paraguay, and France established Pakistan as a regional export hub. A transition to a four-shift model and increased capacity utilization were managed without volume losses through strategic workforce development. Quality remained paramount, and preparations for "Touchless Modern Oral" in 2025 promise further operational enhancements. Modern Oral's performance, export success, and innovation solidify Pakistan's leadership in the category.

Commitment to Quality

PTC Jhelum Factory reaffirmed its commitment to quality, driven by rigorous standards, innovation, and digital tools. We maintain ISO 9001 certification and achieved a 3.8/4 score on the Quality Assessment Tool (QAT). GLQ, our unified digital inspection platform, and a new app for visual defects and quality rounds streamline quality control. Expanding to markets like Japan, France, Peru, and Paraguay demonstrates global recognition of our quality.

Sustainability and Resource Management

The Akora Khattak site demonstrates exemplary water stewardship. Transforming HVAC systems to a closed-loop cycle using RO rejected water contributes 15% to total water recycling. Condensate recovery saved over 7,000 m³ of water, and mist/sensor taps reduced consumption by up to 69.5%. Spares localization at AKF, through partnerships with local manufacturers and 3D printing, resulted in 70% lead time reduction and significant cost savings.

Smokeless Products

As we entered 2024, we did so on the strength of the successful consumer mobilization initiatives of 2023, which set a solid foundation for a strong start to the year.

In early 2024, we launched one of our most significant Tobacco Harm Reduction campaigns, encouraging smokers to switch to our Modern Oral products—a reduced-risk nicotine alternative that helps avoid the harms of smoking. With benefits like less teeth staining* and no smoke smell, this campaign highlights a reduced risk** choice for those who would otherwise continue smoking.

This was followed by the largest VELO™ campaign since its launch—the "Weirdly Wonderful Pack Upgrade," which involved a complete revamp following the global brand code of redesign of packaging across the entire portfolio to enhance consumer navigation of flavours and nicotine strengths.

Our efforts to spark meaningful conversations were supported by the creation of relevant, contemporary content. VELO™'s growth was driven by its strategic focus on consumer obsession, building a strong brand, and fostering portfolio and capability development.

***Compared to [a cigarette and/or snus]. Based on laboratory testing. Individual results may vary. This product does not reduce existing teeth stains. Other factors may contribute to teeth staining.**
****This product is not risk-free and contains nicotine, an addictive substance.**

Our Multi-Category Portfolio

VELO's Digital Presence

This year, VELO™ introduced stand-up comedy as a unique engagement platform, blending digital and experiential activations. The initiative resonated with audiences and earned the Unleash Award for Best Consumer Journey.

In 2024, VELO™ leveraged AI-powered insights to develop a groundbreaking search recommendation engine, delivering the best-in-class personalized consumer experiences. This innovation earned the Silver Dragon Award powered by the Dragons of Asia, reinforcing VELO™'s commitment to purpose-driven technology.

With these innovations, VELO™ continues to drive consumer engagement and set new standards in digital marketing.

18+ ONLY. THIS PRODUCT CONTAINS NICOTINE AND IS ADDICTIVE. KEEP OUT OF REACH OF CHILDREN.

Our Multi-Category Portfolio

Factory Manufactured Cigarettes (FMC)

2024 began with the launch of limited-edition packs for John Player Gold Leaf and Capstan by Pall Mall Original. These initiatives aimed to enhance brand equity, with John Player Gold Leaf reinforcing its symbol of "Taste of Perfection" and Capstan by Pall Mall Original celebrating a remarkable milestone of "125 years" as a timeless brand of perpetuity. This was followed by the highly anticipated relaunch of B&H.

Together, these efforts highlight our unwavering commitment to maintaining our position as the leading legitimate market share holder in the FMC category. Additionally, we executed targeted price communication campaigns throughout the year to ensure compliance with pricing standards and effectively combat counterfeiting.

Sustainable Packaging

We started our journey towards sustainable packaging in 2023 by replacing non-recyclable foil with recyclable paper across our entire portfolio in 2024. This initiative now covers 100% of our portfolio, reinforcing our commitment to sustainability.

Illicit Trade

Historically, there has been a clear and consistent link between increases in Federal Excise Duty (FED) and a surge in illicit trade within the tobacco sector. Given the market's high sensitivity to price fluctuations, any rise in excise duties exacerbates the price gap between legal and illegal cigarettes. Consequently, consumers are drawn toward cheaper, tax-evaded alternatives. Even a slight increase in illicit trade undermines the Government of Pakistan's revenue collection efforts and creates an unequal playing field for legitimate businesses.

To address this challenge, the Government of Pakistan introduced the Track and Trace System for the tobacco industry in 2022. However, its implementation has been slow and incomplete. To date, only two manufacturers have fully adopted the system, while others have achieved partial compliance. The system was originally envisioned to monitor production volumes and identify tax-compliant packs, thereby reducing tax evasion. Unfortunately, cigarette packs lacking proper stamps continue to flood the market, and factories in Azad Jammu & Kashmir (AJK) remain outside the scope of the system.

In recent years, the nationwide presence of smuggled and duty non-paid (DNP) cigarettes has increased significantly. These illicit products often carry counterfeit tax stamps, further complicating enforcement efforts. To combat this, legislative reforms are urgently required to impose strict penalties on counterfeiting, particularly for fake tax stamps. Law Enforcement Agencies (LEAs) must focus on dismantling the entire illicit supply chain—from production to distribution—while ensuring convictions for those involved.

A critical component of this strategy is enforcement at the retail level. Strengthened retail monitoring and targeted actions against retailers dealing in untaxed cigarettes are essential. Without robust enforcement at the retail stage, efforts to curb the supply and consumption of illicit products will remain incomplete. Retail-level enforcement will also act as a deterrent, discouraging retailers from stocking and selling illicit cigarettes.

The Inland Revenue Enforcement Network (IREN) has made notable progress with raids and seizures of both finished goods and raw materials in 2024. However, these efforts must be scaled up significantly. A multi-pronged, staged strategy focusing on retail enforcement, enhanced monitoring, and stricter penalties will be crucial for tackling illicit trade comprehensively.

For this strategy to succeed, the government must commit to the strict and persistent enforcement of tax laws across all levels of the supply chain, with a renewed emphasis on retail outlets. Consistent and visible action against illicit trade will not only create a level playing field for legitimate businesses but will also enhance investor confidence and improve Pakistan's overall business climate.

Organisation Chart

CHARIMAN AND BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

MD & CEO

- FINANCE & IT DIRECTOR
- CORPORATE FINANCE CONTROLLER
- HEAD OF OPERATIONS FINANCE
- SR. COMMERCIAL FINANCE MANAGER MKT
- SENIOR PLANNING MANAGER

- HEAD OF TALENT, CULTURE & INCLUSION
- SR. HRBP OPERATIONS AKF
- SR. HRBP OPERATIONS JF
- SR. HRBP MARKETING
- HRBP CORPORATE
- HR SERVICES MANAGER

DIRECTOR LEGAL AND CORPORATE & REGULATORY AFFAIRS (CORA)

HEAD OF EXTERNAL AFFAIRS/ COMPANY SECRETARY

HEAD OF LEGAL

SENIOR LITIGATION MANAGER

COUNTRY SECURITY MANAGER

HEAD OF MARKETING

HEAD OF TRADE MARKETING & DISTRIBUTION

HEAD OF CONSUMER EXPERIENCE

SR. BRAND DEPLOYMENT MANAGER

DIRECTOR OPERATIONS

FACTORY MANAGER JF

FACTORY MANAGER AKF

ENGINEERING MANAGER PK

SUPPLY CHAIN MANAGER

ESG MANAGER PK

Board of Directors

Zafar Mahmood
Chairman & Independent Director

Mr. Zafar Mahmood holds an LL.B., Master's degree in Economics, and a Postgraduate Diploma in Development Administration from Manchester University, UK. He served the Government of Pakistan for 38 years in multiple key roles, including Secretary of Textile, Secretary of Industries, Secretary of Water & Power, Secretary of Petroleum & Natural Resources, Secretary of Commerce, and Secretary of Cabinet. He has also held positions as Chairman of the Punjab Public Service Commission, Consul General in Istanbul, Vice Chairman of the Export Promotion Bureau, and Secretary of Punjab Education Schools. His last assignment was as Chairman of WAPDA. He joined the PTC Board in 2016 and was re-appointed as Chairman following his re-election to the Board of Directors in April 2022.

Syed Ali Akbar
Managing Director & CEO

Syed Ali Akbar joined PTC in 2019 as the Marketing Director, bringing over two decades of extensive experience in multinational corporations and Fortune 500 companies across Pakistan, the Middle East, North Africa, and North America. Throughout his career, he has held senior leadership roles in General Management, Sales, Marketing, New Business Development, Supply Chain, and Mergers & Acquisitions, serving as a director in both public and commercial sector organisations. He began his career as a Management Trainee at Unilever Bestfoods, rapidly advancing to senior leadership positions at Engro Corporation, British American Tobacco, and The Coca-Cola Company. He has led large, diverse teams across multiple countries, tackling complex business challenges. His career accolades include numerous local and global honors, notably the prestigious Global Award—Zenith of Recognition—presented by the Chairman and Board of Directors of The Coca-Cola Company in 2018 for his groundbreaking innovation strategy. He joined the PTC Board in 2019 and was appointed Managing Director and CEO on March 1, 2021.

Syed Muhammad Ali Abrar
Director Finance & IT

Syed Muhammad Ali Abrar is a seasoned finance professional with a strong drive for results and a passion for talent development. He joined British American Tobacco in 2005 in Pakistan and has since held leadership positions across several markets, including roles as Head of Finance for BAT Global Business Services Malaysia and Finance Director in Papua New Guinea, Iran, and Sri Lanka. Most recently, he served as Area Finance Controller for APMEA West. Throughout his career at BAT, Ali has been instrumental in driving transformational initiatives aligned with the group's strategic priorities, steering businesses to success despite challenging external environments while investing in people and building a strong talent pipeline. Ali was appointed as Finance & IT Director of Pakistan Tobacco Company Limited, effective December 1, 2023.

Board of Directors

Belinda Ross
Non-Executive Director

Ms. Belinda Ross completed her LL.B. and B.Com at the University of Otago, New Zealand, and is registered as a Barrister and Solicitor in the High Court of New Zealand. Before joining BAT, she practiced law at one of Auckland's leading firms and provided advisory services to businesses in New Zealand and the South Pacific. With 20 years of experience at BAT, she has led Legal, Corporate Affairs, and Security matters across the Asia Pacific and Middle East region as Regional Head of Legal & External Affairs. She has been a key member of leadership teams in these regions, as well as the Global Legal and External Affairs team. She joined the PTC Board in 2019 and was re-elected in April 2022. Belinda currently serves as Global Head of Transformation - Legal and Special Projects at BAT.

Asif Jooma
Independent Director

Mr. Asif Jooma began his corporate career with Lucky Core Industries Limited (formerly ICI Pakistan Limited) in 1983. With 40 years of extensive experience in senior commercial and leadership roles, he has worked in Pakistan and the UK and was Managing Director of Abbott Laboratories Pakistan Limited from 2007 to 2013 before returning to ICI Pakistan Limited as Chief Executive. He has served as President of the American Business Council, President of the Overseas Investors Chamber of Commerce and Industry (OICCI), and Chairman of the Pharma Bureau. Additionally, he has held directorships at NIB Bank Limited, Engro Fertilisers Limited, National Bank of Pakistan, and Systems Limited. He currently serves as an Independent Director on the Board of Pakistan Tobacco Company Limited and International Industries Limited and is a nominee Director of Nutrico Morinaga Pvt Limited. Mr. Jooma is also a member of the Board of Governors at LUMS and a Trustee of the Duke of Edinburgh's Awards Programme. He holds a Bachelor of Arts in Development Economics from Boston University and has attended Executive Development programs at INSEAD and Harvard Business School.

Syed Asad Ali Shah
Director Legal and Corporate & Regulatory Affairs

Syed Asad Ali Shah has over 22 years of experience with Pakistan Tobacco Company Limited, holding managerial roles across Marketing, Supply Chain, and Corporate & Regulatory Affairs. He previously served as Head of Government Affairs before being appointed Director of Legal, Corporate & Regulatory Affairs in August 2018. He joined the PTC Board in 2019 and was re-elected to the Board of Directors in April 2022. Mr. Shah holds a master's degree from Cranfield University School of Management.

Board of Directors

Mohammad Riaz
Independent Director

Mr. Mohammad Riaz holds a master's degree in Development Economics from Williams College, USA, and a postgraduate diploma in Mathematics and Economics from the University of Colorado, Boulder, USA. He also has a master's degree in Defense and Strategic Studies from National Defense University, Islamabad. With over 36 years of experience, he has held senior roles in various ministries and departments of the Government of Pakistan, focusing on policymaking, diplomacy, and negotiations in trade, customs, finance, investments, and economic laws. His past assignments include serving at the Federal Board of Revenue, the Prime Minister's Office, and the National Assembly Secretariat. He has also served as Trade and Commercial Counsellor at the Embassy of Pakistan in Paris, France, and as Consul General in Istanbul, Turkey. He was a Director on the Board of the State Bank of Pakistan and a member of the Monetary Policy Committee. His last assignment was as Secretary of the National Assembly of Pakistan before joining the PTC Board in 2019. He was re-elected in April 2022 and currently serves as Chairman of the Audit Committee.

Nasir Mahmood Khan Khosa
Non-Executive Director

Mr. Nasir Mahmood Khan Khosa is a retired Pakistani civil servant from Dera Ghazi Khan, belonging to the Pakistan Administrative Service. With an outstanding civil service career, he has held some of the country's most prestigious positions, including Principal Secretary to the Prime Minister of Pakistan, Chief Secretary of Punjab, and Chief Secretary of Balochistan. He was promoted to Federal Secretary in 2010. After retiring from civil service, he served as Executive Director at the World Bank from 2013 to 2017. Currently, Mr. Khosa is the Chairman of Government Holdings (Pvt.) Ltd. and a board member of PakBrunei Investment Company.

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

Lt. Gen. Najib Ullah Khan (Retd) served in the Pakistan Army for 35 years. A graduate of the Military College of Engineering, Staff College Camberley (UK), and the National Defense University, he had a distinguished career in the military. During his service, he held the position of Quarter Master General and played a significant role in strategic military operations.

Board of Directors

Wael Sabra
Non-Executive Director

Mr. Wael Sabra holds a Masters degree in Finance from University of Florida and is a Certified Management Account (CMA). He has 20+ years of experience with BAT, and since 2003 he has held various key senior positions in the finance function across Middle East, Africa and South Asia. In 2010, he was appointed as Finance Director, Democratic Republic of Congo before moving to South Africa in 2012, where he was assigned to take up the role of Finance Director, Southern African Markets. In July 2014, he moved to Cairo as Finance Director, North Africa Area. In August 2016, he moved to Pakistan as Finance Director, South Asia Cluster and subsequently to Dubai as Finance Director Middle East, South Asia and North Africa. In his 20+ years with BAT, he has been an Executive board member in several BAT operating companies. He was previously appointed to PTC's board in 2016 and served till 2019. He was re-appointed to PTC's board in 2021. He is an Executive board member of BAT Bangladesh. Presently, he is serving as Area Director Asia Pacific Middle East & Africa covering Middle East, South Asia, North Africa, Central Asia & Caucasus

Faisal Saif
Non-Executive Director

Mr. Faisal Saif is an accomplished finance professional who started his BAT career as a Management Trainee with Pakistan Tobacco Company Limited in 2001 following completion of his MBA from the Lahore University of Management Sciences. Within PTC, over the years, he undertook various roles in the areas of treasury, manufacturing, internal audit and commercial finance. In 2013, Faisal embarked on his international career with the BAT group as Regional Head of Commercial Finance based in Hong Kong followed by a stint as the Corporate Controller for BAT Indonesia. He then proceeded as Area Finance Director for BAT West & Central Africa based in Nigeria. This was followed by his roles in BAT Indonesia starting in 2020, first as the Finance Director and later as General Manager for the BAT Indonesia business. He currently holds the position of Area Finance Director Asia Pacific, Middle East and Africa (West) since 2022. He joined the PTC Board in 2023.

Gary Tarrant
Non-Executive Director

Mr. Gary Tarrant joined the BAT Group in 2004 in Globe House, United Kingdom and his career at BAT Group includes multiple positions within the Legal & External Affairs department as Head of LEX, Korea & Taiwan Cluster, Head of Commercial Legal UK, Head of Legal West Africa and Legal Counsel for GCC amongst others. Gary has previously served as the Head of Legal and External Affairs (LEX), Middle East, South Asia and North Africa, a role that he moved into in 2019, and was a member of the Area Leadership Team. In said role, Gary was responsible for leading the Legal and External Affairs team, providing support and advice in relation to all aspects of legal and compliance advice and managing the external affairs team for the BAT Group companies in Middle East, South Asia and North Africa. As of 1st April 2023, Gary was appointed as the Regional General Counsel and Head of Legal & Corporate and Regulatory Affairs, Asia Pacific Middle East Africa. Gary was appointed to PTC's Board of Directors in October 2022.

Committees of the Board

The Board has a number of committees which assist the Board in the performance of its functions.

Executive Committee

The Executive Committee of the Board (ExCo) is comprised of Executive Directors of the Company and heads of functions. The ExCo drives the day-to-day management of the Company in order to achieve the strategic targets set by the Board of Directors.

Matters Delegated to the Management

It is the responsibility of management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals approved by the Board and to identify the key risks and explore the key opportunities which could impact the Company in the ordinary course of execution of its business.

Management is also responsible to keep the Board members updated regarding any changes in the operating environment. It is also the responsibility of management, with the oversight of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and requirements of the Companies Act, 2017.

Syed Ali Akbar
Managing Director & CEO

Syed Asad Ali Shah
Director Legal and Corporate & Regulatory Affairs

Uzair Qazi
Marketing Director

Syed Muhammad Ali Abrar
Director Finance & IT

Faiza Imtiaz
Head of Talent, Culture & Inclusion

Rodrigo Nunes
Operations Director

Sami Zaman
Company Secretary

Committees of the Board

Board

During the year 2024, seven meetings were held on February 28, April 24, June 21, August 07, September 11, October 24 and December 09. Attendance of members is as follows:

Members	Attendance
Mr. Zafar Mahmood Chairman	7/7
Syed Ali Akbar Managing Director and CEO	7/7
Syed Asad Ali Shah Director Legal and Corporate & Regulatory Affairs	5/7
Syed Muhammad Ali Abrar Director Finance & IT	7/7
Belinda Joy Ross Non-Executive Director	5/7
Mohammad Riaz Independent Director	7/7
Asif Jooma Independent Director	7/7
Wael Sabra Non-Executive Director	4/7
Usman Zahur Non-Executive Director (resigned w.e.f 16.10.2024)	3/7
Lt. Gen. Najib Ullah Khan (R) Independent Director	7/7
Gary Tarrant Non-Executive Director	3/7
Faisal Saif Non-Executive Director	6/7
Nasir Mahmood Khan Khosa Non-Executive Director (joined w.e.f 17.10.2024)	2/7

1. Audit Committee

During the year 2024, four meetings were held on February 28, April 24, August 07 & October 24. Attendance of its members is as follows:

Members	Attendance
Mohammad Riaz Chairman	4/4
Asif Jooma Independent Director	3/4
Lt. Gen. Najib Ullah Khan (R) Independent Director	4/4
Belinda Joy Ross Non-Executive Director	3/4
Wael Sabra Non-Executive Director	2/4

2. Human Resources & Remuneration Committee Meetings:

In 2024, one meeting was held on October 24. Attendance of its members is as follows:

Members	Attendance
Lt. Gen. Najib Ullah Khan (R) Chairman	1/1
Asif Jooma Independent Director	1/1
Mohammad Riaz Independent Director	1/1

Committees of the Board

3. Shares Transfer Committee

In 2024, five meetings were held. Attendance of its members is as follows:

Members	Attendance
Syed Ali Akbar	5/5
Syed Asad Ali Shah	5/5
Syed Muhammad Ali Abrar	5/5

Sub Committees of ExCo.

i) Commercial Committee

In 2024, twelve meetings were held. Attendance of the Executive Committee members is as follows:

Members	Attendance
Syed Ali Akbar	11/12
Syed Asad Ali Shah	12/12
Syed Muhammad Ali Abrar	12/12
Faiza Imtiaz	11/12
Uzair Qazi	11/12

ii) Governance Committee

In 2024, eleven meetings were held. Attendance of the Governance Committee members is as follows:

Members	Attendance
Syed Ali Akbar	4/11
Syed Asad Ali Shah	7/11
Syed Muhammad Ali Abrar	11/11
Faiza Imtiaz	8/11
Rodrigo Nunes	8/11
Uzair Qazi	7/11
Madeeha Arshad Chaudhry*	4/11
Sami Zaman*	5/11

* Sami Zaman became Company Secretary, replacing Madeeha Arshad Chaudhry w.e.f. 08-08-2024.

iii) ESG Committee

In 2024, four meetings were held. Attendance of the Executive Committee members is as follows:

Members	Attendance
Syed Asad Ali Shah	3/4
Faiza Imtiaz	3/4
Rodrigo Nunes	2/4

TORs of Board Committees

Committee	Functions
Audit Committee	The Audit Committee functions within the scope of the terms of reference approved by the Board, which sets out the roles and responsibilities of the Committee in line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The roles and responsibilities of the Audit Committee include: • Seeking assurance on the measures taken by the management in identification, evaluation and mitigation of relevant business risks. • Reviewing quarterly, half-yearly and annual financial statements of the Company and preliminary announcements of results before approval by the Board and publication. • Reviewing the Company's statement on internal control systems, prior to their approval by the Board. • Ascertaining that the internal control systems including financial and operational controls, accounting system and reporting structure, are adequate and effective. • Monitoring compliance with the best practices of corporate governance and instituting special projects and investigations on matters deemed appropriate by the Committee or desired by the Board. • Reviewing and approving the scope and extent of internal audit, including the annual Internal Audit Plan, and regularly monitoring the progress of the internal audit engagements.
Human Resources and Remuneration (HR&R)	The Committee is responsible for: • Recommending human resources management policies to the Board. • Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the MD/CEO. • Recommending to the Board, the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit and • Consideration and approval on recommendations of MD/CEO on such matters for key management positions who report directly to MD/CEO or COO.
Share Transfer Committee	The Committee is responsible for dealing with the day-to-day matters relating to the shares of the Company.
Executive Committee of the Board (ExCo)	The Executive Committee of the Board (ExCo) is the central working nucleus of the organisation. Comprising of Executive Directors and Heads of Departments of the Company, the ExCo drives the day-to-day management of the Company to achieve the strategic targets set by the Board of Directors.

TORs of Board Committees

<table>
<tr><th>Committee</th><th>Functions</th></tr>
<tr><td>Governance Committee</td><td>The Governance Committee Meeting (the Committee) is a sub-committee of the Executive Committee (ExCo) for Pakistan Tobacco Company Limited (PTC).
The objective of the Committee is to assist the PTC ExCo to discharge their corporate governance responsibilities to exercise due care, diligence and skill in relation to:
• Achievement of PTC's goals within an appropriate framework of internal control and risk management.
• Process simplification with empowered teams leading to smarter and faster decision making.
• Internal control system.
• Risk management and analysis.
• Business policies and practices.
• Compliance with the SoBC standards and policies.
• Compliance with applicable laws and regulations and
• Monitoring and controlling of business and other risks.
While recognizing that the primary responsibility for corporate governance resides with the Board, it has been delegated to the Committee, which has a representation of the ExCo and their direct reports.

The Committee does not replace or replicate established management responsibilities and delegations or the reporting lines and responsibilities of internal audit or external audit functions and nor does the delegation to the Committee fragment or diminish the responsibilities of the Board as a whole.</td></tr>
<tr><td>Commercial Committee</td><td>This Committee is also a sub-committee of the ExCo. The objective is to assist the ExCo in reviewing key business metrics on a monthly basis which include market overview, current business performance, proposed plans, financial performance, latest estimates, operational performance and supply plans.

The Commercial Committee is responsible for the following
• Seamlessly drive the commercial agenda for PTC
• Monitor progress and facilitate delivery for ongoing projects and workstreams (Star Charts)
• Provide organisational support to and approval for ongoing projects
• Operational decision making and business cases for key projects and budgetary approvals
• Detailed PIRs of completed projects
• Necessary escalations and approvals if required for ASOP and ALT Commercial
This is an approving forum for all budgets for business plans as per the SoDA governance.</td></tr>
<tr><td>ESG Committee</td><td>The ESG Committee is a sub-committee of the Executive Committee (ExCo). The objectives of the Committee are to drive excellence in environmental management, delivering a positive social impact and ensuring robust corporate governance.

Committee ToRs:
i. Achieving the BAT Group's Environmental, Social & Governance targets
ii. Ensuring ESG goals and targets are met at the specified time
iii. Reviewing and approving proposals of new initiatives to meet targets and goals
iv. Performance evaluation of initiatives through measurable KPIs
v. Performance evaluation and effectiveness of community investments</td></tr>
</table>

Standards of Business Conduct and Ethical Principles

Business Ethics & Anti-Corruption Measures

The Company is committed to operating the business fairly and ethically in line with all laws of Pakistan. Conducting business ethically and with integrity entails avoiding all forms of corrupt practices. As an organisation we have a “zero tolerance” approach to corrupt practices and in no circumstances will such conduct be tolerated. The Company’s Standards of Business Conduct (SoBC) form the framework for the Company’s comprehensive compliance program. The Company ensures all directors and employees across various levels of the organisation understand and uphold the SoBC. To ensure corporate sustainability, the Company further stresses and encourages its contractors, agents, or consultants, to act consistently with the SoBC by applying similar standards within their own organisations.

Whistleblowing

Any employee of the Company who suspects a wrongdoing at work is strongly encouraged to report such wrongdoing through the whistleblowing procedure. The Company’s whistleblowing policy (Speak Up Policy) gives employees (and third parties) trust and confidence in how their concerns will be treated. The Speak Up Policy allows employees (and third parties) to report their concerns on any breach of the SoBC. Under the Speak Up Policy, a complainant can be approached for gathering of further information, and again approached to communicate the outcome.

The actions that can be reported include (among others):

- Criminal Acts including theft, fraud, bribery, corruption and violation of sanctions
- Putting Health or Safety at Risk
- Environmental Damage
- Bullying, Harassment or including sexual harassment) and discrimination in the workplace, modern slavery or other human rights abuses
- Accounting Malpractices or Falsifying Documents
- Other Breaches of the SoBC or the global Policies, principles or standards of the Group
- Failing to comply with any legal obligation, by act or omission;
- A miscarriage of Justice
- Concealing any Wrongdoing, and
- Causing others to commit any of the above

The Speak Up Policy ensures the highest level of confidentiality for those who speak up and the investigation process.

Additionally, in order to encourage people to speak up, the Speak Up Policy also mandates no reprisal against the individual (who may also report the concern anonymously). All employees of the Company are made aware of the Speak Up Policy and the safeguards it provides to those who speak up.

Reporting a Wrongdoing

The various avenues for raising concerns are provided below:

- A Designated Officer;
- An HR manager or Legal Counsel;
- Line manager; and
- Our confidential, independently managed external Speak Up channels (www.bat.com/speakup), which are operated independently of management, enable raising concerns online or via telephone (anonymously, if preferred).

Designated Officer(s)

Designated officers are responsible for receiving concerns, which are kept confidential and investigated as such.

The Designated Officers are

- Head of Legal and Corporate & Regulatory Affairs
- Company Secretary
- Legal Manager

Standards of Business Conduct and Ethical Principles

Anonymous Reports

Individuals may raise concerns anonymously.

Number of Incidences Reported In 2024

11 whistle blowing incidences were reported in the said year.

Investors' Grievance Policy

The Company provides on its website a direct email address, as well as a postal address, at which investor complaints and/or grievances can be communicated directly to the Company Secretary. As a means of redressal against any complaints/ grievances that the Company may not have addressed, the Company website also stipulates that contact can be made with the Securities and Exchange Commission of Pakistan for the same.

Social and Environment

Respect in the Workplace

All Company employees must treat all of their colleagues and business partners inclusively, with dignity and with respect. The Company is committed to maintaining a workplace free from bullying, intimidation and/or harassment.

Human Rights and The Company's Operations

The Company is committed to ensuring that its operations are always conducted in a way that respects the human rights of its employees, the people it works with and the communities in which it operates. The Company's due diligence procedures enable it to monitor the effectiveness of, and compliance with, its policy commitments and its Supplier Code of Conduct, as well as to identify, prevent and mitigate human rights risks, impacts and abuses.

Health, Safety & Welfare

The Company places high value on the health, safety and welfare of its employees, and is committed to providing a safe working environment, to prevent accidents and injury, and to minimise occupational health risks.

Environment

The Company is committed to excellence in environmental management across its business operations and throughout its supply chain and compliance with applicable environmental laws and regulations.

Personal and Business Integrity

Conflicts of Interest

A conflict of interest will arise in any situation where an employee's position or responsibilities within the Company presents an opportunity for him/her or any close relative to obtain a personal gain or benefit (apart from the normal rewards of employment), or where there is a scope for them to prefer their personal interests, or those of any close relative, above their duty to act in the best interests of the Company.

Actual and Perceived Conflicts of Interest

It is a part of the Company's SoBC that all employees must avoid situations where their personal interests might, or might appear to, be in conflict with the interests of the Company. In the case of any Board member of the Company, disclosures are made to, and approval is sought from, the Board of the Company at its next meeting and the decision is recorded in the minutes. The Company Secretary is responsible for maintaining the 'conflicts log' of the Board of Directors of the Company.

Anti-Bribery and Corruption

Corruption causes distortion in markets and harms economic, social and political development, particularly in developing countries. It is wholly unacceptable for the Company and its directors or employees to be involved or implicated in any way in corrupt practices. The Company applies similar standards upon the third parties it works with and ensures they have in place policies like the Supplier Code of Conduct and Third-Party Anti Financial Crime Procedure. The Company mandates integrity in all employee operations and has a zero tolerance policy on misconduct, reinforcing this policy through both in-person and online trainings conducted throughout the year on the SoBC. Every year, all of our directors, employees and group entities must

Standards of Business Conduct and Ethical Principles

formally confirm that they have completed the SoBC trainings. The Anti-Bribery and Corruption Policy is reviewed in accordance with Pakistani Law annually for its suitability, adequacy and effectiveness, and to implement improvements as appropriate.

Gifts and Entertainment

The exchange of entertainment and gifts with business partners can build goodwill in business relationships and, within limits, is perfectly acceptable. However, some gifts and entertainment can create improper influence (or the appearance of improper influence) and might even be seen as bribes. The Company's Gifts and Entertainment Policy prohibits the giving and receiving of such gifts that may create any improper influence. Political contributions by companies are prohibited under the law.

External Stakeholders

Community Investments

The Company recognises the role of business as a corporate citizen and the Company works towards supporting local communities and charitable projects. It thus has in place a comprehensive policy framework for Community Investment.

Lobbying and Engagement

The Company is committed to corporate transparency. As a responsible Company, all our engagement activities with external stakeholders are conducted with transparency, openness and integrity.

Corporate Assets & Financial Integrity

Accurate Books and Records

Honest, accurate and objective recording and reporting of information, both financial and non-financial, is essential to the Company's credibility and reputation, its ability to meet its legal, tax, audit and regulatory obligations and informing and supporting business decisions and actions by the Company.

Protection of Corporate Assets

Employees are responsible for safeguarding and making appropriate use of the Company assets which they are entrusted with in order to do their jobs and meet the Company's business objectives.

Data Privacy, Confidentiality and Information Security

The Company is committed to handling personal data responsibly, in compliance with privacy laws and the global minimum standard of governance. The employees must protect and maintain the confidentiality of all commercially sensitive information, trade secrets and other confidential information relating to the Company and its business.

Insider Dealing and Market Abuse

The Company is committed to supporting fair and open securities markets. Accordingly, employees are prohibited from dealing on the basis of insider information or engaging in other forms of market abuse.

National and International Trade

Competition and Anti-Trust

The Company believes in free and fair competition. The Company requires its employees to compete fairly and ethically and within the framework of applicable 'competition' laws (or 'anti-trust' laws, as they are known in certain countries).

Sanctions and Export Controls

Various sanctions regimes exist throughout the world, ranging from comprehensive economic and trade sanctions to more specific measures such as arms embargoes, travel bans and financial or diplomatic restrictions. Economic and trade sanctions impact the business of the Company by restricting the extent to which they can operate within certain jurisdictions. The Company is committed to upholding all lawful sanctions regimes.

Standards of Business Conduct and Ethical Principles

Anti-Illicit Trade

The Company engages only in lawful trade in its products and maintains controls to prevent and deter illicit trade in its products. Illicit trade, involving smuggled or counterfeit products, harms the business and devalues the Company's brands.

Tax Evasion and Anti-Money Laundering

Money laundering involves the possession of, or any dealing with, the proceeds of criminal activity. It includes the process of concealing the identity of illegally obtained money so that it appears to have come from a lawful source. The Company does not condone, facilitate or support tax evasion and money laundering and requires its employees to abide by its anti-money laundering policy.

Records and Information Management Policy

The Company has in place formal Records Management and Information Security Policies. Records Management Policy defines Company's Critical Records and their mandated retention periods considering the Company's legal audit and tax obligations in addition to business needs. Both policies not only ensure that critical records are properly saved and archived but their security is also uncompromised. For electronic records, backups are maintained and for hard records, the Company has its own offsite "Records Storage" where critical records with longer retention period are kept safely.

Updated version of Standards of Business Conduct was introduced effective 1 January 2024 to maintain pace with the dynamic external environment and ensure it meets legal and regulatory expectations.

Chairman's Review

Aligned with BAT Group's vision of Building a Smokeless World, PTC sustained its focus on innovation. VELO™ emerged as a key driver of growth in 2024, posting a remarkable 27% increase in volumes and solidifying its leadership within the modern nicotine segment in Pakistan.

Zafar Mahmood
Chairman

2024 Performance

The year under review brought with it a blend of economic complexities and encouraging policy initiatives, shaping both industry performance and consumer patterns. In 2024, the country was recovering from the historic economic downturn of the previous year, with significant recovery in foreign exchange reserves surpassing $12 billion by year-end.

The unprecedented 200% Federal Excise Duty (FED) hike in FY 2022/23 spurred a rise in illicit trade from 37% to 54%, threatening the sustainability of the tax-compliant sector. To address these escalating challenges, the Government of Pakistan took a stabilising stance in the FY 2024/25 budget, maintaining FED levels while introducing adjustable duties on inputs such as Acetate Tow and Filter Rods. However, unintended consequences emerged, with increased smuggling of these inputs adding complexity to regulatory efforts.

Amid these industry headwinds, PTC demonstrated resilience, capturing a record market share of 80.1%. Strategic portfolio management and a stability in the FED framework by the Government enabled a 1.9% volume increase, translating into a gross turnover of Rs. 355.5 billion – an impressive 12.6% growth over last year. Consequently, as the leading contributor to the national exchequer, the Company's tax payments increased by 12.8%, reaching Rs. 258.5 billion. Despite cost pressures, profit after tax stood at Rs. 27.8 billion, with earnings per share at Rs. 108.74 – a modest 4.1% decline compared to the previous year.

Aligned with BAT Group's vision of Building a Smokeless World, PTC sustained its focus on innovation. VELO™ emerged as a key driver of growth in 2024, posting a remarkable 27% increase in volumes and solidifying its leadership within the modern nicotine segment in Pakistan.

Environment, Social and Governance (ESG) Agenda

Sustainability remained a cornerstone of PTC's operations in 2024, underscoring its position as a responsible corporate entity. Significant achievements in renewable energy, resource optimisation, and waste management further cemented the Company's leadership in sustainable business practices.

Key milestones included the attainment of the Integrated Work System (IWS) Phase 2 certification for operational facilities and a significant shift towards renewable energy sources, resulting in 41.6% of total energy consumption being derived from renewable fuels. The VELO™ factory achieved global recognition as the first BAT modern oral manufacturing site, fully powered by renewable energy. Additionally, PTC spearheaded the local purchase of I-RECs, advancing its Scope 2 decarbonisation strategy.

Chairman's Review

In waste management, PTC achieved a 99% recycling rate for solid waste and attained Alliance for Water Stewardship (AWS) Certification for its Akora Khattak and Jhelum factories. Notably, the Jhelum facility became the first multi-category AWS-certified site within the BAT Group, demonstrating leadership in both cigarette and oral nicotine production sustainability.

PTC also made a meaningful impact through community-focused initiatives. Over 4.2 million saplings were planted as part of our afforestation program, the largest private sector initiative of this kind in Pakistan. Our "Throw and Grow" campaign deployed 400,000 seedballs across the Margalla Hills with enthusiastic participation from over 10,000 volunteers. Healthcare outreach continued through 12 Mobile Doctor Units, which served 135,000 patients, and 26 water filtration plants, benefiting over 8 million people annually across nine districts.

Corporate Governance

PTC is steadfast in its commitment to exemplary corporate governance, which forms the backbone of its operations. Through rigorous policies and transparent practices, the Company ensures that its assets are protected and shareholder interests remain paramount. Adhering to the Sarbanes-Oxley Act (SOx), PTC has established a robust system of internal controls and financial reporting, which are periodically tested by external auditors (KPMG) to guarantee compliance and reliability.

Integrity remains a core value, with an unwavering zero-tolerance stance on misconduct. Mandatory trainings on the Standards of Business Conduct (SoBC) are conducted annually for all employees and directors of the Company. These trainings are both in-person and online, fostering a workplace culture deeply rooted in ethical compliance. To further promote transparency and accountability, the Company provides secure and confidential channels for employees and stakeholders to voice concerns or report any irregularities, ensuring that such concerns are addressed without fear of reprisal.

Business Sustainability

In line with its transformative vision, PTC accelerated its journey towards a Smokeless World. VELO™ continued to lead the modern oral category, bolstered by progressive Government policies recognising reduced-risk products with differentiated tax treatments.

The Made in Pakistan initiative, now in its fifth year, reinforced PTC's role as a key manufacturing and export hub, contributing $36 million in foreign exchange earnings. The export portfolio expanded to include VELO™ shipments to markets such as Japan, France, and Peru, showcasing PTC's prowess in competing on a global scale.

Despite these advancements, the sustainability of the legitimate tobacco sector remains under threat due to the unchecked rise of illicit trade. With the illicit market share surging beyond half of total consumption, legal tax-paying businesses continue to face significant challenges. While the Track & Trace System (T&TS) was implemented to curb tax evasion, its impact remains limited due to enforcement gaps. Strengthening regulatory oversight and enforcement, and ensuring a level playing field, are critical to safeguarding industry sustainability and preserving employment associated with the formal sector.

Despite an increasingly turbulent external environment, the fundamentals of the tobacco and nicotine sector of Pakistan remain attractive, and the Board believes PTC is in a strong position to realise its potential. The growth of adult smokers seeking smokeless alternatives is a long-term sectoral trend. With the right regulatory approach, smoking rates could decline through greater acceptance of smokeless products. With our multi-category brand portfolio, PTC is well placed to capitalize on this consumer shift to smokeless products while continuing to manage the combustible cigarette business in a responsible manner.
I wish to express my sincere gratitude to the people and leadership of PTC for steering the Company to success through challenging times. PTC remains committed to developing a dynamic and diverse talent pool, equipping its people with the skills and confidence to lead this transformation. With resolute leadership and a clear vision, the Company continues to deliver sustainable growth, creating long-term value for its stakeholders while championing Tobacco Harm Reduction in Pakistan.

MD & CEO's Message

PTC remains dedicated to a multi-category approach, with a strong emphasis on Tobacco Harm Reduction, highlighting our commitment to putting consumers at the forefront of our corporate strategy.

Syed Ali Akbar
MD & CEO

Despite an increasingly difficult external environment, I believe we are at a moment of enormous potential for PTC and the tobacco and nicotine industry as a whole in Pakistan. Fundamentally, PTC today is a business built to deliver resilient performance, even during uncertain times. Our consumer-focused approach and multicategory product portfolio are underpinned by long-term investments in our brands. Combined with a culture that values delivery today while pursuing future opportunities, we are well positioned to continue delivering stakeholder value over the years to come. The underlying strengths of PTC are reflected in our performance, despite a challenging environment.

Business Performance

Throughout 2024, PTC remained focused on generating consumer value through continued investment in our established portfolio, while driving sustained transformation across our operations. Despite a volatile industry and challenging macroeconomic environment, PTC delivered 12.6% growth in gross turnover.

Following the catastrophic impact of the 200% increase in Federal Excise Duty (FED) in Fiscal Year 2022/23 on the tax compliant portion of the tobacco industry, the FED rates remained stable in the Federal Budget 2024/25. However, the detrimental impact of the Fiscal Year 2022/23 FED action continues to challenge the industry, with illicit cigarette trade reaching record levels. Our cost structure remained under pressure due to the unprecedented leaf price increase of the 2023 crop along with other inflationary pressures. Despite these challenges, PTC's strategic emphasis on enhancing value chain efficiency and building a sustainable and agile marketing network helped limit the decline in earnings per share (EPS) to 4.1% while growing our legitimate (tax compliant) industry market share to a record high of 80.1%.

PTC remains committed to a multi-category approach, with a strong focus on Tobacco Harm Reduction—underscoring our dedication to putting consumers at the heart of our corporate strategy. The continued success of our New Categories Modern Oral brand, VELO™, which achieved an impressive 27% volume growth, reinforces our progress toward Building a Smokeless World.

Our commitment to quality and world-class operational and manufacturing excellence is reflected in the growing international demand for PTC products, with total exports reaching $36 million in 2024.

PTC's exceptional achievements in 2024 are a direct result of our people's unwavering commitment to addressing challenges proactively and the integration of strategic transformation across our processes. Driven by our steadfast vision of A Better Tomorrow™, our pursuit for excellence is reflected in every dimension of our business.

MD & CEO's Message

Our Brands

PTC continued to prioritise the expansion of its portfolio, with a keen focus on adapting to evolving consumer demands in 2024. Our legacy brand, Benson & Hedges, returned to market. Our leadership in the tax compliant industrial sector underscores our brands' success in catering to a broad spectrum of consumer segments, delivering tailored products to meet evolving needs of today's consumer. Capstan by Pall Mall dominated the market with an extraordinary 20.7 billion stick sales, while John Player Gold Leaf remained the preferred choice in the premium category.

To reinforce our vision of A Better Tomorrow™ through Tobacco Harm Reduction, PTC remains committed to building a diverse, multi-category business. With the launch of VUSE™ in 2023 under the E-liquid Vaping category, PTC reinforced its commitment to expanding beyond conventional tobacco products. Despite strong consumer interest driven by the brand's quality and international equity, a sharp tax hike on E-liquids led to a staggering 180% increase in retail prices. This made it challenging for VUSE™ to compete against lower-quality, duty-evaded alternatives that dominate the market, ultimately forcing the company to exit the E-liquid Vaping category.

Despite the countless challenges, PTC became the first Company in Pakistan to introduce the Modern Oral (Tobacco-Free Nicotine Pouches) Category with the launch of our internationally renowned brand VELO™ Within just five years of its launch, VELO™ has achieved ninefold growth, establishing the world's largest active consumer base with half a million users in Pakistan. Locally manufactured, Made in Pakistan VELO™ is gaining international recognition for its exceptional quality, with successful exports to four countries.

Our People

Our people's passion, commitment, and specialised skills are at the heart of our efforts to build A Better Tomorrow™. We foster a challenging yet supportive culture that emphasises personal responsibility and commitment while attracting, engaging, and retaining a diverse talent pool. This commitment is reflected in the prestigious 'Global Diversity, Equity & Inclusion Benchmarks Award' awarded to PTC. Additionally, PTC has achieved the 'Top Employer' Certification five times in the last six years, highlighting our dedication to fostering an exceptional workplace culture and effective talent management practices. PTC is also acknowledged within BAT for its exceptional talent, demonstrated by the export of our employees to other markets in key leadership positions.

In 2024, PTC's internal 'Your Voice Engagement' survey revealed significant improvements in the Sustainable Engagement Index, further emphasising our commitment to empowering employees and creating an environment where they feel valued and engaged. This progress reflects our leadership's strategic vision and the ongoing importance of nurturing a thriving, inclusive culture.

Our Processes

PTC takes great pride in its state-of-the-art facilities and streamlined operations, which uphold the highest standards of operational excellence. Our optimised manufacturing processes across all factories are exemplified by the Intergrated Work System (IWS) Phase 2 certification, reflecting PTC's comprehensive approach to enhancing productivity, quality, and workplace standards. This certification affirms our commitment to maximising equipment efficiency while maintaining the highest product quality. We are also proud to be at the forefront of innovation, with our green leaf threshing operations setting a benchmark as the first in the BAT Group to achieve this certification.

Sustainability is at the heart of PTC's crop-to-consumer value chain and our ongoing transformation towards A Better Tomorrow™. We are driving this commitment through initiatives that enhance energy efficiency and expand our focus on renewable electricity, including the installation of biomass boilers and advanced smart utility management systems. Notably, we have established the BAT Group's largest on-site solar park and achieved the Alliance for Water Stewardship Certification, further solidifying PTC's dedication to long-term sustainability.

Our Future

The Company is dedicated to advancing its transformation journey while delivering outstanding value to shareholders by optimising operations, leveraging a strong portfolio, and capitalising on the expertise of our diverse workforce as key strengths. Our commitment to meeting evolving consumer needs and advancing Tobacco Harm Reduction will drive the growth of our brands across the portfolio. We recognise that our people are central to our success, and as such, we are committed to developing their capabilities and providing the necessary resources to empower our employees in achieving results.

As we address the challenges posed by the macroeconomic concerns and the expansion of the illicit tobacco market, we remain confident in our ability to navigate these issues through sustained investments in operational excellence across our operational footprint. As a responsible corporate citizen, we will continue collaborating with the Government of Pakistan to address the continued growth of the non-tax complaint tobacco and nicotine trade across the country.

Looking ahead, I am confident that the core fundamentals of our strategy remain strong. We are enhancing our executional focus to drive high-quality, sustainable, and repeatable growth—grounded in science, stakeholder engagement, and a steadfast commitment to integrity and sustainability. PTC is an organisation built to deliver, with operational excellence and the agility to optimize capital allocation for the benefit of all stakeholders. I have no doubt that PTC is well-positioned to navigate any challenges 2025 may bring and exceed shareholder expectations.

Directors' Report

The Directors present the Annual Report of Pakistan Tobacco Company Limited ("PTC/Company") along with the audited financial statements of the Company for the year ended December 31, 2024.

Macroeconomic Environment

The year under review was marked by a combination of challenges and positive developments, influencing both the business landscape and consumer purchasing power. Unlike 2023, when foreign exchange reserves hit a historic low, 2024 saw a steady recovery, with reserves reaching over $9 billion by end June and $12 billion by the year end. This improvement was primarily fueled by a sustained current account surplus on the back of strong remittance inflows, reduced currency market volatility, and a rise in foreign investment. Higher remittances, import compression and strong export earnings played a key role in stabilizing the economy.

Aligned with global trends and improving economic indicators, Pakistan's financial conditions saw notable progress. In December, the State Bank of Pakistan lowered the policy rate to 13.0%, marking an overall 900 bps reduction since the beginning of the year. Inflation also saw significant easing, steadily declining from 28.3% in January 2024 to 4.1% in December 2024. Additionally, year-to-date Consumer Price Index (CPI) inflation averaged 12.6%, highlighting a substantial easing in price pressures.

The Government remained committed to advancing macroeconomic reforms under the ongoing IMF program. The rupee's stability was supported by improvements in the current account, the IMF Stand-By Arrangement (SBA) of $3bn and the Extended Fund Facility of $7bn. In September 2024 Pakistan entered into an extended 3-year IMF Program which collectively contributed to a GDP growth rate of 2.4% for 2023/2024.

Industry Overview

Fiscal Environment

Cigarettes in Pakistan are subject to a two-tier specific Federal Excise Duty (FED) regime. Following an unprecedented 200% increase in Federal Excise Duty (FED) during the fiscal year 2022/23, illicit market share surged from 37% to 54%, severely impacting tax compliant tobacco manufacturers. Policy makers recognised the severity of this issue and the threat it posed to the sustainability of the tax compliant industry and Government tax revenues. In a bid to slow down the alarming trend of illicit growth, the Government of Pakistan decided to keep the excise rates unchanged in the Federal Budget 2024/25.

In the Federal Budget 2024/25, the Government of Pakistan introduced an adjustable FED on key inputs of cigarettes i.e. Acetate Tow and Filter Rods at Rs. 44,000 per KG and Rs. 80,000 per KG respectively. While this could be an effective measure to curtail the illicit sector at the input stage, the quantum of this advance FED has inadvertently caused illicit manufacturers to expand smuggling of acetate tow, thereby negatively impacting plans to expand the documented sector.

In the New Categories space, the Federal Budget 2024/25 introduced FED on Modern Oral products of PKR 1,200 per kg. This is reflective of the Government's recognition that nicotine pouches pose significantly less harm than traditional combustible cigarettes, fostering the growth of this emerging category. However, the FED regime for E-liquids was revised from a fixed PKR 10,000 per kg to the higher of PKR 10,000 per kg or 65% of retail price. This exorbitant tax increase on E-liquids resulted in a 180% increase in retail prices for PTC, placing 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.

Increase in Duties and Taxes, and the Need for Rigorous Enforcement

The exorbitant excise increase in FY 2022/23 has led to a notable rise in the illicit trade of cigarettes. This surge has been mirrored by a sharp increase in the prevalence of smuggled cigarette brands across the country, including rural areas. Cigarette brands continue to be sold openly without tax stamps and Graphical Health Warnings (GHW) at points of sale.

Research conducted by IPOR on Track & Trace Compliance in the tobacco industry revealed that out of the 413 brands being sold in the markets surveyed, only 19 were fully compliant with the Track and Trace regime. Of the remaining 394 brands, 286 were smuggled brands, implying that these were sold not only without tax stamps but also Graphical Health Warnings.

Directors' Report

While authorities have introduced initiatives, such as the Track and Trace System (T&TS), to ensure sustainable tax revenues, consumer protection and also safeguarding the legitimate industry, effective enforcement remains elusive. Sporadic implementation at the point of sale suggests that non-compliant players continue to adapt swiftly to circumvent controls, as evidenced by the availability of tax-stamp free products and instances of counterfeit T&TS stamps detected. Furthermore, manufacturers in Azad Jammu and Kashmir (AJ&K) remain outside the ambit of the Track & Trace System (T&TS). Consequently, instead of effectively curbing illicit trade, T&TS has merely increased operating costs for compliant businesses while failing to drive industry-wide compliance. Without stricter enforcement, the system risks becoming an additional burden on legitimate manufacturers rather than a deterrent to tax evasion.

Regulatory Environment

In 2020, the Ministry of National Health Services, Regulations & Coordination exercised its authority under the Prohibition of Smoking and Protection of Non-Smokers' Health Ordinance 2002 to prohibit the advertisement, promotion, and sponsorship of tobacco products. While responsible businesses have complied, numerous local manufacturers continue to flout these regulations. Lax and inconsistent enforcement has further allowed non-compliant entities to gain an unfair market advantage. To uphold regulatory integrity and ensure a level playing field, the Government must implement strict and consistent enforcement measures across the sector.

Company Performance

Pakistan Tobacco Company Limited ("PTC/ Company") successfully navigated a challenging business landscape in 2024, demonstrating resilience amid economic headwinds, increasing illicit trade, and volatile market conditions. Despite these hurdles, the Company delivered strong volume growth of 1.9% compared to the previous year, supported by a stable Federal Excise Duty (FED) framework and the exceptional execution by its trade team.

This performance translated into a gross turnover of Rs. 355.5 billion, reflecting a 12.6% year-on-year increase, driven by tactical portfolio interventions. PTC further reinforced its market leadership in the legitimate segment, expanding its share by 0.1 percentage points to 80.1% in 2024.

As a key contributor to Pakistan's economy, PTC's tax contributions reached Rs. 258.5 billion, marking an increase of 12.8% as compared to last year, when its total tax contribution stood at Rs. 229.2 billion. The payments were on account of Federal Excise Duty, Sales Tax, Customs Duties, Corporate Income Tax, and other regulatory levies, underscoring the Company's role as a responsible corporate entity. However, cost of sales increased by 21.4%, fueled by inflationary impacts and a severe leaf crop shortage in 2023, driving an unprecedented surge in tobacco leaf prices, posing a major challenge to the Company's cost structure. The imposition of normal tax on exports further pressured profitability, raising the Company's effective tax rate to 43.9%.

Despite cost challenges, PTC remained focused on enhancing shareholders' value through efficiency-oriented initiatives. Key efforts included:

- Modernizing production to improve operational efficiency.
- Optimizing leaf crop yield to counter supply constraints.
- Strengthening trade and distribution strategies.
- Mitigating currency devaluation risks through forex management.

These measures enabled PTC to minimize profitability decline, reporting a profit after tax of Rs. 27.8 billion and an EPS of Rs. 108.74 per share, a modest 4.1% decrease vs. the same period last year (SPLY) despite significant cost pressures.

PTC remains committed to BAT Group's global vision of Building a Smokeless World, focusing on innovative product categories aimed at reducing the risk associated with smoking conventional cigarettes. The BAT Group significantly invests in Research & Development, allocating over $485 million in 2024 alone. Pakistan has emerged as a key market for reduced risk products, particularly in the Modern Oral category. PTC's flagship brand VELO™ witnessed an impressive 27% volume growth in 2024, reinforcing its position as a leading brand in Pakistan's evolving nicotine consumption landscape.

PTC's export initiative, "Made in Pakistan," has now completed its fifth year of full-scale operations. In 2024, the Company exported products worth

Directors' Report

$36 million. PTC remains committed to leveraging its manufacturing expertise to increase exports, contributing to valuable foreign currency inflows for the country. As a testament to the Company's unwavering commitment to high quality standards, PTC augmented its exports portfolio to include VELO™ exports to Japan, France and Peru during the year, while it continues to explore further expansion opportunities in South America.

Beyond its commercial success, PTC remains deeply committed to sustainability and corporate social responsibility, continuing to operate one of Pakistan's largest private-sector afforestation programs, alongside multiple community welfare initiatives.

Since launching its flagship afforestation initiative in 1981, PTC has successfully planted and distributed over 160 million saplings free of cost, playing a crucial role in environmental conservation and climate resilience. PTC's Mobile Doctor Unit (MDU) program continues to make a tangible difference in underserved communities. In 2024 alone, the Company provided essential healthcare services to more than 130,000 patients through the MDU initiative, offering consultations, treatment, and medication to address both basic healthcare needs and preventive care.

Recognizing the urgent need for safe drinking water, PTC has established 26 water filtration plants nationwide. Each plant delivers 20,000 litres of clean water daily, significantly reducing waterborne illnesses and improving public health in vulnerable communities.

On the human capital front, PTC places its people at the heart of its success, fostering a diverse, inclusive, and high-performance work environment. The Company's relentless commitment to attracting, developing, and retaining top talent was recognised through multiple prestigious accolades, including the "Global Diversity, Equity & Inclusion Benchmarks Award", awarded by the Global Diversity, Equity & Inclusion Benchmarks Organization and the "Top Employer Award" by the Top Employers Institute, recognizing PTC's outstanding workplace culture and talent management practices.

Additionally, PTC's internal 'Your Voice Engagement' survey recorded significant improvements in the Sustainable Engagement Index, reflecting the Company's commitment to fostering a highly engaged workforce. These results underscore the strategic vision and leadership dedication in creating a workplace where employees feel empowered and valued.

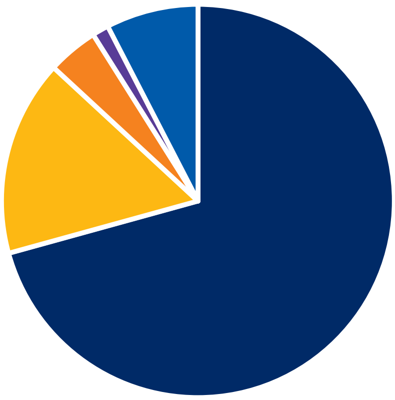
	Rs. (million)	
	FY2024	FY2023
Gross Turnover	355,507	315,844
FED & Sales Tax	234,429	205,912
Net Turnover	**121,078**	**109,933**
Cost of Sales	61,265	50,454
Gross Profit	**59,813**	**59,479**
Operating Profit	44,448	45,020
Profit Before Tax – PBT	49,500	50,012
Profit After Tax – PAT	**27,783**	**28,960**
Earnings Per Share – EPS (Rs.)	108.74	**113.35**

Profit & Loss Analysis

The Company contributed 72.7% of its gross turnover (Rs. 258.5 billion, up 12.8% vs SPLY) as tax revenue to the Government in lieu of various tax and duties, while retaining 7.8% of revenues for distribution amongst shareholders and reinvestment in the business. Cost of Sales and Net Operating Expenses accounted for 16.6% and 4.3% of gross turnover respectively.

Domestic gross turnover increased by 14.2% vs SPLY on account of effective sales and marketing strategies, targeted brand building activities and consumer relevant pricing strategy. The Company exported 1.3 billion cigarette sticks, 47 million oral nicotine pouches and 4.8 million kgs of unmanufactured tobacco during the year. This helped the Company post export revenue of $36 Mn during 2024.

Overall cost of sales increased by 21.4% while per unit cost increased considerably on account of the unprecedented increase in tobacco leaf prices procured during the 2023 season. These headwinds were mitigated through a combination of multiple productivity initiatives and focused cost management to optimize the overall cost base, leading to a structural cost decline of 3.3% vs. SPLY.



Contribution to Government,	72.7%
Profit for the Year,	7.8%
Net Finance Income,	-1.4%
Net Operating Expense,	4.3%
Cost of Sales,	16.6%

Net Finance Income increased by 1.2% in 2024, due to stability in exchange rates leading to a lower foreign exchange loss on outstanding liabilities. This was offset by lower finance income due to a reduction in surplus funds available for Treasury Bill investments, as well as gradual decline in policy rates from a peak of 22% in January 2024 to 13% by December 2024.

Statement of Financial Position Analysis

Property, plant and equipment increased by 13.9% in 2024, primarily driven by upgrades to existing infrastructure to support better product quality, innovation, higher operating efficiencies and to ensure compliance with regulatory requirements.

The increase of 4.6% in Stock in Trade is attributable to inflationary impact and inventory levels in line with sales projections.

Cash and cash equivalents declined by 59.1% compared to the same period last year (SPLY), driven by improved access to foreign currency in the banking system, which eased repatriation challenges. This enabled the Company to remit dividends to its majority shareholder, BAT, and settle vendor payables for shipments acquired under 365-day Letter of Credit (LC) payment terms. As a result, Current Liabilities also decreased by 31.8%.

Liquidity Management

PTC's Treasury function is responsible for managing financial resources of the Company including liquidity, funding and investments. The function aims to ensure that the Company has adequate financial resources to meet its operational and strategic obligations, while optimising returns on investment and mitigating the financial risks of the Company's operations. All treasury related activities are executed as per defined policies, procedures and counter party exposure limits which are reviewed and approved by the Board of Directors or by delegated authority to the Finance Director / Internal Treasury Committee.

Profit Distribution & Revenue Reserve Analysis

The Company started the year with distributable reserves of Rs. 44.7 billion. In 2024, the Company earned a net profit of Rs. 27.8 billion and declared four interim dividends amounting to Rs. 125 per share. The net reserves position of the Company at year end stands at Rs 40.3 billion. Details of appropriation are also elaborated in the table below:

	Rs. (million)	Rs. (per share)
Opening Reserves	44,718	
Net Profit 2024	27,783	108.74
Other Comprehensive Income	**247**	
Unappropriated Reserves	**72,748**	
Interim Dividends 2024	(31,937)	**125.00**
Closing Reserves	**40,812**	

Final Dividend

The Board of Directors of PTC in its meeting held on February 28, 2025, recommended a final cash dividend of Rs. 0/- per share for the year ended December 31, 2024 **(2023: 0 per share)** for the shareholders' approval. The Company has paid interim dividends of Rs. 30/share and Rs. 30/share in Q2, and Rs. 35/share and Rs. 30/share in Q3 2024, amounting to a total interim dividend of Rs. 125/share. The recommendation for final cash dividend is subject to approval of the shareholders in the Annual General Meeting, scheduled on April 24, 2025.

Directors' Report

Consolidated Financial Statements and Segmental Review

Consolidated financial statements, combine performance of Pakistan Tobacco Company Limited and its wholly owned subsidiary, Phoenix (Private) Limited. The subsidiary Company is dormant and has not commenced commercial operations.

Subsequent Events Review

Management has reviewed events occurring after the financial year-end up to the date of this report and confirms that no significant changes or commitments have impacted the Company's financial position during this period.

Operations Review

Pakistan Tobacco Company Limited ("PTC/ Company") operates a fully integrated seed-to-smoke business, comprising two state-of-the-art factories and one of the largest leaf operations within the BAT Group. Demonstrating a relentless commitment to operational excellence, PTC's factory operations have achieved IWS Phase 2 certification, enhancing productivity and efficiency across the entire value chain. Additionally, PTC's Green Leaf Threshing (GLT) facility is the first in the BAT Group to attain Phase 2 certification under the Integrated Work System (IWS) - a testament to its leadership in manufacturing excellence.

As part of its Tobacco Harm Reduction agenda, PTC operates a dedicated factory at its Jhelum site, manufacturing tobacco-free oral nicotine pouches. This facility is the first of its kind in the Asia Pacific and Middle East Region within BAT Group. Serving both domestic and international markets, it strengthens PTC's position as a strategic export hub.

During the year 2024, PTC initiated various projects continuing to focus its commitment to sustainability and green initiatives. These projects included Bio-mass boiler, AI integration with HVAC, 180 KW solar induction on Leaf Depots, and upgradation of Energy efficient Air-handling units (AHUs) reducing carbon emission and generating sustainable electricity for the Company.

PTC remains at the forefront of manufacturing excellence by exporting its technical expertise to other BAT entities worldwide. In 2024, the Company extended its leadership in IWS implementation beyond Sudan, South Africa and Nigeria, to include Zambia and South Korea. PTC continues to drive sustainable performance enhancements across the BAT Group by strengthening in-house technical proficiency, reducing dependence on Original Equipment Manufacturers (OEMs), and embedding best practices.

Environment, Social & Governance (ESG) Review

At the forefront of PTC's ESG agenda, factories of the Company situated in Akora Khattak and Jhelum have become champions of environmental stewardship. The installation of a revolutionary 5.3 MW on-site Solar Park, the largest across BAT Group, has not only reduced the Company's carbon footprint by 2,500 tons but also symbolizes the profound shift towards renewable energy.

Water, a finite resource, has become a cornerstone of the Company's conservation efforts. In the unwavering pursuit of excellence, PTC's operations now proudly hold Alliance Water Stewardship ("AWS") Certification, with Akora Khattak factory successfully navigating its surveillance audit and Jhelum Factory setting a precedent as the first multi-category (both for factory manufactured cigarettes and tobacco-free oral nicotine pouches) AWS certified Company in BAT Group. This not only fosters collaborative and transparent efforts for sustainable water management but also underscores the commitment to environmental sustainability.

As the world faces increasing resource constraints, PTC remains steadfast in its mission to minimize environmental impact. Sustainability is not just a corporate initiative - it is a commitment to shaping a more responsible future, inspiring positive change across industries, and ensuring a legacy of responsible stewardship for A Better Tomorrow™.

Marketing Review

As 2024 unfolded, PTC remained at the forefront of consumer-centric innovation and portfolio agility, navigating persistent affordability challenges. Despite market headwinds, strategic investments in portfolio optimization have strengthened resilience, fueling robust brand equity and market dominance. Our flagship brand, Capstan by Pall Mall, delivered an outstanding 20.7 billion sticks in sales, reaffirming its category leadership. Meanwhile, the Company accelerated premiumization strategies with the successful launch and scale-up of a new offering, reinforcing PTC's position as an industry trendsetter. PTC's relentless commitment to Brand Building and Route-to-Market Optimization has yielded record-breaking success, driving Duty-Paid market share to an all-time high of 80.1% (+0.1 pps vs SPLY), solidifying market leadership in the legitimate segment.

The Company's strategic focus on being a truly multi-category player has remained a core pillar of its approach. This was exemplified by the strong performance of VELO™, which saw a 27% increase in volumes in 2024 vs SPLY, while also establishing the world's largest active consumer base, with half a million consumers.

Risk Management & Internal Controls

The Board provides strategic oversight, ensuring a robust internal control system while proactively addressing operational risks. PTC's risk management and internal control framework is designed to protect shareholders' value and Company assets, prioritizing risk mitigation that could impact business objectives.

A structured Governance model, reinforced by clear policies and a strong culture of accountability, has fostered a resilient compliance environment. Department heads regularly evaluate globally defined key controls, with any non-compliance or control gaps promptly reported to the Governance Committee, along with corrective action plans.

The Company remains fully compliant with the Sarbanes-Oxley Act (SOx), underscoring its commitment to financial integrity and transparency. Furthermore, all employees are required to annually reaffirm their adherence to the Company's Standards of Business Conduct, ensuring a consistent culture of ethics, integrity, and compliance across the organisation.

Forward Looking Approach

As we look ahead, 2025 is set to bring another challenging year for the industry. However, with the strength of our people, the power of our brand portfolio, and our deep understanding of the local market, we are well-prepared to navigate and overcome obstacles. Beyond the broader macroeconomic pressures, we remain focused on addressing the unique challenges of the local tobacco sector, including high taxation and weak law enforcement. Staying true to our corporate strategy, the Company is committed to delivering strong business results by prioritizing key objectives for sustainable growth.

Drive Growth Agenda

The Company's strategic goal is to achieve enduring growth for its shareholders. Effective law enforcement plays a crucial role in ensuring the commercial viability of legitimate market participants and the sustainability of Government revenues. We will continue to engage with authorities to ensure full implementation of the T&TS, using this as a foundation to enhance the enforcement environment in Pakistan. The Company will prioritize regaining its consumer base leading to further growth in market share. Additionally, marketing investments will focus on strengthening the brand equity of the Company's portfolio among adult consumers across all operating segments.

This will be accomplished through product innovations designed to meet evolving consumer preferences, as well as by generating maximum brand awareness through innovative campaigns targeted at relevant and impactful consumer touchpoints. A consumer-centric approach will enable the Company to maintain a strong brand portfolio, positioning it to consistently outperform competitors and maintain market leadership. By executing this strategy, the Company will be well-positioned to sustain its leadership in the legitimate market segment and drive further share recovery within total industry.

Maintain Adequate Access to Foreign Currency

Despite replenishment of national foreign currency reserves on the back of the IMF programme and assistance from friendly countries, availability of foreign currency remains a challenge. It is critical for the Company's operations to ensure timely and independent settlement of its foreign currency obligations and disbursement of dividends to its shareholders.

The Government is expected to intervene to protect the interests of the manufacturing sector and encourage further foreign direct investment into the country by ensuring timely disbursement of profits to shareholders. Meanwhile, the Company will continue to accelerate its contribution to the economy by focusing on exports and bringing in much needed foreign currency into the local banking system, besides being one of the largest taxpayers in Pakistan.

Drive Effective Resource Allocation and Cost Management

The Company faces ongoing inflationary pressures, straining its cost base. However, the Management is committed to implementing effective measures to counteract these challenges and ensure optimum shareholder value creation.

The local currency is forecasted to remain weak, with minimal or no value appreciation. This is likely to result in an increase of the cost base, impacting our operating margins.

The Company will proactively adopt measures to alleviate the future impact of currency devaluation through timely settlement of supplier dues by leveraging its banking relationships in addition to an ongoing localization drive.

Drive Operating and Manufacturing Efficiencies

Our Company is strategically positioned to advance our operational and manufacturing efficiencies. We are committed to investing in state-of-the-art equipment and machinery upgrades. This will be achieved through investment in modern and upgraded equipment and machinery that not only delivers better efficiencies but is also capable of supporting future product innovations, necessary to maintain competitive advantage in the marketplace.

The Company is already geared to cater to any surge in market demand and remains dedicated to investing in machinery to comply with future regulatory requirements.

Furthermore, the operating infrastructure is continuously being upgraded with the best EH&S equipment, systems and processes to ensure a safe working environment for all employees.

Environment, Social & Governance (ESG)

ESG remains central to PTC's corporate strategy, underpinning its commitment to sustainable growth and responsible business practices. The Company continues to drive the transition towards reduced-risk products, minimizing the health impact of its business while actively investing in initiatives that uplift and empower the communities in which it operates. With a strong foundation in place, PTC is dedicated to expanding the scope of its ESG initiatives, reinforcing its leadership in sustainable and responsible corporate practices.

Invest in Human Capital

To sustain its competitive edge, the Company remains dedicated to strategic investments in its workforce, cultivating a diverse and exceptionally skilled talent pool poised to navigate forthcoming business challenges and create a culture of personalised lifelong learning. By fostering a culture of engagement and championing inclusive leadership, we tap into the collective power of our diverse team, unleashing their full potential to create a purposeful and energizing environment. This proactive approach guarantees that the Company not only adapts seamlessly to the ever-changing industry landscapes but also excels by leveraging the collective strengths of a dynamic and future-ready workforce.

With our strategic leadership agenda defining the pathway towards continuous D&I initiatives, competitive reward schemes, and a robust talent management strategy, the Company fortifies its position as an industry leader. We are leveraging digitalization and process simplification for a seamless and elevated employee experience to always remain ahead of the curve.

Corporate Governance

Compliance with Corporate Governance Requirements

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan's Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code of Corporate Governance") for the following:

Directors' Report

a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
b) Proper books of accounts of the Company have been maintained.
c) Appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgement.
d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed and explained.
e) The system of internal controls is sound in design and has been effectively implemented & monitored.
f) There are no significant doubts about the Company's ability to continue as a going concern.
g) There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance and listing regulations.
h) All major Government levies in the normal course of business, payable as at December 31, 2024, have been disclosed in the notes to the financial statements.
i) Key operating and financial data for last six years in summarized form is provided separately in the Company's Annual Report.
j) Value of investments in employees' retirement funds for the year ended December 31, 2024, are as follows. Further details are provided in Note 33 to the financial statements.

	Rs. (million)
Staff Pension Fund	9,358
Employees Gratuity Fund	2,167
Management Provident Fund	1,343
Employees Provident Fund	706
Defined Contribution Pension Fund	2,020

Composition of the Board

The Board comprises a total of 12 directors: 4 are independent directors, 5 are non-executive directors and 3 are executive directors. The current composition of the Board is as below:

	No. of Directors
Male Directors	**11**
Female Directors	**1**
Independent Directors	**4**
Mr. Zafar Mahmood (Chairman)	
Lt. Gen. Najib Ullah Khan (R)	
Mr. Mohammad Riaz	
Mr. Asif Jooma	
Non- Executive Directors	**5**
Mr. Nasir Mahmood Khan Khosa	
Ms. Belinda Joy Ross	
Mr. Gary Tarrant	
Mr. Wael Sabra	
Mr. Faisal Saif	
Executive Directors	**3**
Syed Ali Akbar	
Syed Asad Ali Shah	
Syed Muhammad Ali Abrar	

There is female representation on the Board in compliance with the regulatory requirement.

The overall effectiveness of the Board is enhanced by the diversity and breadth of perspective and experience of its members. The members have sufficient financial acumen and knowledge through combination of their professional and academic skills, and local and international experience. PTC conforms to the regulatory requirements on the composition and qualification of the Board of Directors.

Directors' detailed profiles including their names, status (Independent, Executive, Non-Executive), in addition to industry experience and directorship of other companies, have been provided separately in the Annual Report. The status of directorship (Independent, Executive, Non-Executive) is also indicated in the Statement of Compliance with the Code of Corporate Governance.

Directors' Report

Changes in the Board

The following changes took place on the Board:

i. Mr. Usman Zahur resigned w.e.f. 16-10-2024 and his casual vacancy was filled by Mr. Nasir Mahmood Khan Khosa w.e.f. 17-10-2024.

Meetings of the Board

Under the applicable regulatory framework, the Board is legally required to meet at least once in every quarter to ensure transparency, accountability, and monitoring of the Company's performance. Special meetings are also held during the year to discuss important matters, as and when required. In 2024, seven (7) Board meetings were convened, out of which the 1st meeting was held on 28th February 2024.

The notices, accompanied by agendas of the meetings were circulated in advance, in a timely manner and in compliance with applicable laws. All meetings of the Board held during the year surpassed the minimum quorum requirements of attendance, as prescribed by the applicable regulations. The Company Secretary acts as the Secretary to the Board. All decisions made by the Board during the meetings were clearly documented in the minutes of the meetings maintained by the Company Secretary and were duly circulated to all the Directors for endorsement and were approved in the subsequent Board meetings.

Members	Attendance
Mr. Zafar Mahmood Chairman	7/7
Syed Ali Akbar Managing Director and CEO	7/7
Syed Asad Ali Shah Director Legal and Corporate & Regulatory Affairs	5/7
Syed Muhammad Ali Abrar Director Finance & IT	7/7
Belinda Joy Ross Non-Executive Director	5/7
Mohammad Riaz Independent Director	7/7
Asif Jooma Independent Director	7/7
Wael Sabra Non-Executive Director	4/7
Usman Zahur Non-Executive Director (resigned w.e.f 16.10.2024)	3/7
Lt. Gen Najib Ullah Khan (R) Independent Director	7/7
Gary Tarrant Non-Executive Director	3/7
Faisal Saif Non-Executive Director	6/7
Nasir Mahmood Khan Khosa Non-Executive Director (joined w.e.f 17.10.2024)	2/7

Meetings Held Outside Pakistan

In 2024, PTC conducted all its Board Meetings within Pakistan.

Committees of the Board

The Board has four sub-committees which assist the Board in the performance of its functions, namely the Executive Committee, Audit Committee, Human Resources & Remuneration Committee and Share Transfer Committee. Details of all Board Committees, including attendance and their functions, are provided separately in the Company's Annual Report.

Directors' Remuneration

As per the requirements of the Code of Corporate Governance, there is a formal and transparent procedure in place for fixing the remuneration packages of individual Directors. No Director is involved in deciding his / her own remuneration.

These remuneration packages are approved as per requirements of the regulatory framework and internal procedures, while ensuring that they are not at a level that could be perceived to compromise the independence of the Independent and Non-Executive directors.

The remuneration of executive directors including the CEO, key management personnel and other executives is given in note 38 to the financial statements.

Evaluation of Board's Performance

The Company has designed an "Evaluation Tool" to assist the Board to:

- Understand and recognise what is working well,
- Identify areas for improvement,
- Discuss and agree on priorities for change, which can be addressed in the short and long term, and
- Agree on an action plan.

The Evaluation Tool comprises an evaluation questionnaire, which is circulated to all the Directors in which each Director must evaluate himself / herself as well as the Board. In order to encourage open and frank evaluations, as well as to ensure anonymity, the evaluation process is directed by the Company Secretary, who mails the questionnaire to each Director and then collates the results into a report including a summary of the results, and recommendations to the Board. The Report is then discussed in the next Board Meeting to address the areas of concern and improve the Board's performance.

Offices of the Chairman & CEO

To promote transparency and good governance, the offices of the Chairman of the Board of Directors and the Chief Executive Officer are held by separate individuals with clear segregation of roles and responsibilities.

Brief Roles & Responsibilities of the Chairman & CEO

Roles and responsibilities of the Chairman and the CEO have been clearly and distinctly defined by the Board. The Chairman is basically a leader and mediator to head the meeting of the Board of Directors effectively and take decisions after a free and open sharing of views in an efficient and effective manner. The Chairman is responsible for the overall discharge of the Board's duties.

The CEO is the executive head of the Company, who heads all facets of the Company and provides leadership towards the achievement of the Corporate Plan through effective delegation of powers to respective heads of functions, and management of the day-to-day operations of the Company. The CEO is responsible for leading, developing and executing the Company's short and long-term strategies with a view to enhance shareholders' value. The CEO liaises with the Board and communicates on behalf of the Management.

CEO's Performance Evaluation by the Board

The Board appoints the CEO for a term of 3 years, in compliance with applicable laws. His performance is reviewed annually based on the yearly corporate plan, besides his responsibilities under the regulatory framework.

Performance for the year 2024 is demonstrated by achievement of the corporate plan and compliance with the applicable regulatory requirements.

Formal Orientation at Induction

Newly inducted Board member is taken through an Induction Plan for his orientation and familiarization towards the Company's vision, organisational structure, roles and responsibilities of senior executives, major pending or threatened litigation, policies relating to dividends, whistleblowing, summary of Company's major assets, liabilities and noteworthy contracts etc. As part of the Induction Plan, senior executives of the Company present the performance of their respective department to the newly inducted Director.

Directors' Training Program

PTC has ensured compliance with the applicable regulatory requirements regarding Director's training. More than half of the Directors have obtained certification under Directors' Training Program (DTP) approved by SECP.

Last AGM

The Company's 77th Annual General Meeting (AGM) was held on April 24, 2024. All shareholders, including minority shareholders, were proactively sent out invites informing them about the time and place of the meeting, well in advance. High quality and comfortable arrangements, aimed at facilitating the shareholders of the Company, were made to conduct the AGM.

During the meeting, general clarifications on the published financial statements and the impact of illicit trade were sought by the shareholders and investors. No issues were reported in that meeting.

Auditors

Statutory Audit for the Company for the financial year ended December 31, 2024, has been concluded and the Auditors have issued their Audit Reports on the Company's Financial Statements, Consolidated Financial Statements and the Statement of Compliance with the Code of Corporate Governance. The Auditors, Messrs. KPMG Taseer Hadi & Co., shall retire at the conclusion of the Annual General Meeting, and they have indicated their willingness

Directors' Report

to continue as Auditors for PTC. They have confirmed to have achieved satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. The Board proposes their appointment as Auditors for the financial year ending December 31, 2025, on the recommendations of the Audit Committee. This shall be subject to the approval of the shareholders in their meeting scheduled for April 24, 2025.

Pattern of Shareholding

Our holding Company, British American Tobacco (Investments) Limited (BAT-IL), incorporated in United Kingdom holds 94.34% shares of the Company at the year end. The remaining shareholding is spread across associated Company, institutions and general public. The pattern of shareholding as at December 31, 2024, alongside the disclosure as required under Code of Corporate Governance is provided separately in this Annual Report.

Trading in Shares by Directors and Executives

The Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minors have reportedly not performed any trading in the shares of the Company.

Review of BCM

In 2024, Pakistan Tobacco Company Limited ("PTC/ Company") navigated a challenging business landscape shaped by global economic pressures, rising illicit trade, political instability, terrorism, inflation, and security threats. These factors underscored the need for strategic adaptability and robust risk management.

Security remained a critical enabler of business operations, driving investments in technology, process optimization, and resilience-building initiatives. PTC regularly reviewed and tested its Business Continuity Plans (BCP) across all operational sites to ensure seamless functionality amid disruptions. Additionally, refresher trainings on the BCM Dashboard were conducted to maintain real-time crisis readiness.

Aligned with international standards, PTC's BCM framework ensures:

- Proactive incident preparedness,
- Effective crisis response and management,
- Swift recovery to Business as Usual (BAU), minimizing disruptions.

PTC's leadership remains fully committed to BCM excellence. The CEO holds overall responsibility for compliance and execution, with operational management led by the Head of Security. Functional Continuity Managers oversee BCM within their domains, while the Risk and Resilience Manager facilitates Company-wide coordination. The Board conducts annual compliance reviews to ensure regulatory alignment and operational integrity.

By implementing a BCM process, the Company ensures that:

- Its people, assets and information are protected, and employees receive adequate support and communications in the event of a disruption,
- The relationships with other organisations, relevant regulators and Government departments, local authorities and the emergency services are properly developed and documented, and stakeholder requirements are understood and can be delivered, and
- The Company has an enhanced capacity to protect its reputation and remains compliant with its legal and regulatory obligations.

Syed Ali Akbar
MD & CEO

Zafar Mahmood
Chairman

Summary of Statement of Profit or Loss, Financial Position & Cash Flows

		2024	2023	2022	2021	2020	2019
Statement of Profit or Loss							
Gross Turnover	Rs. million	355,507	315,844	232,600	199,469	166,258	149,025
Excise Duties / Sales Tax	Rs. million	(234,429)	(205,912)	(137,738)	(124,481)	(105,368)	(97,050)
Net Turnover	Rs. million	121,078	109,933	94,862	74,988	60,891	51,975
Cost of Sales	Rs. million	(61,265)	(50,454)	(49,706)	(39,092)	(29,329)	(25,765)
Profit for the Year	Rs. million	27,783	28,960	21,321	18,862	16,492	12,889
Earning per Share	Rs./share	108.74	113.35	83.45	73.83	64.55	50.45
Statement of Financial Position							
Property Plant & Equipment / Advances for Capital Expenditure	Rs. million	26,368	23,019	17,334	16,929	15,819	12,499
Working Capital (Current Assets - Current Liabilities)	Rs. million	31,541	32,914	11,067	3,462	6,124	7,744
Share Capital & Reserves	Rs. million	52,290	51,315	26,624	17,973	19,513	18,291
Non-Current Liabilities	Rs. million	5,653	4,664	1,805	2,451	2,462	1,988
Statement of Cash Flows							
Cash flow from Operating Activities	Rs. million	19,860	16,091	24,917	18,973	22,215	8,564
Cash flow from Investing Activities	Rs. million	2,636	2,210	742	(1,020)	(3,192)	(835)
Cash flow from Financing Activities	Rs. million	(41,690)	(9,206)	(12,906)	(14,548)	(15,317)	(13,110)
Net Change in Cash and Cash Equivalents	Rs. million	(19,194)	9,096	12,753	3,404	3,707	(5,380)
Beginning Cash and Cash Equivalents	Rs. million	32,497	23,401	10,648	7,244	3,537	8,917
Ending Cash and Cash Equivalents	**Rs. million**	**13,303**	**32,497**	**23,401**	**10,648**	**7,244**	**3,537**
Cash and Cash Equivalents comprise							
Cash and Bank Balances / Short Term Investments	Rs. million	13,303	32,497	23,401	10,648	7,244	3,537
Short Term Borrowings	Rs. million	-	-	-	-	-	-
	Rs. million	**13,303**	**32,497**	**23,401**	**10,648**	**7,244**	**3,537**
Free Cash Flows							
Profit before Tax	Rs. million	49,500	50,012	34,734	26,207	22,388	18,285
Adjustment of Non-Cash Items	Rs. million	1,046	1,180	1,372	1,520	1,819	1,369
Changes in Working Capital	Rs. million	(8,994)	(15,147)	1,106	(1,006)	3,717	(5,293)
Cash Flows from Operating Activities	Rs. million	**41,552**	**36,045**	**37,212**	**26,721**	**27,924**	**14,361**
Capital Expenditure	Rs. million	(4,171)	(5,075)	(1,939)	(2,421)	(4,201)	(1,947)
Free Cash Flows	Rs. million	**37,381**	**30,971**	**35,274**	**24,300**	**23,723**	**12,414**

Cash Flow Analysis

Pattern of Shareholding

The cash flows of the Company demonstrate the strength and efficiency of its operations and particularly, its highly efficient working capital management systems and processes.

1. **Net Cash Generated from Operating Activities**
   Cash flow from operating activities has demonstrated sustainable health over the years on the back of improved profitability and effective cash management strategy. The increase of 23% from Rs 16.1 Bn in 2023 to Rs 19.9 Bn in 2024 was primarily driven by relative stability in leaf prices combined with focused cost management to optimize the overall cost base increase.

2. **Net Cash Generated from Investing Activities**
   During the year 2024, the Company generated higher net cash from investing activities due to lower purchases of property, plant and equipment aligned to project deployment timelines. This is partially offset by lower investment in Treasury bills generating finance income of Rs 6.3 Bn (2023: Rs 7.2 Bn) due to a reduction in surplus funds available for Treasury Bill investments, as well as gradual decline in policy rates from a peak of 22% in January 2024 to 13% by December 2024.

3. **Net Cash Used in Financing Activities**
   Cash outflows on financing activities have increased from 9.2 Bn in 2023 to Rs 41.7 Bn in 2024. During the year the Company paid out dividends of Rs 39.9 Bn compared to Rs 5.4 Bn in 2023 driven by improved access to foreign currency in the banking system, which eased repatriation challenges.

Performance Indicator Ratios for 6 Years

			2024	2023	2022	2021	2020	2019
Profitability Ratios								
1	Gross Profit ratio	%	**49.4**	54.1	47.6	47.9	51.8	50.4
2	Net Profit to Sales	%	**22.9**	26.3	22.5	25.2	27.1	24.8
3	*EBITDA Margin to Sales	%	**38.6**	42.9	36.8	36.3	38.3	36.6
4	Operating Leverage Ratio	Times	**(0.1)**	1.0	1.7	0.8	2.0	2.5
5	Return on Equity	%	**53.6**	74.3	95.6	100.6	87.3	71.5
6	*Return on Capital Employed	%	**76.7**	80.4	115.3	124.8	99.4	87.2

*** Operating profit figure has been adjusted as per ICAP guidelines from 2023 and onwards. Foreign exchange gain/loss is reflected in Finance Cost.**

			2024	2023	2022	2021	2020	2019
Liquidity Ratios								
1	Current Ratio	Times	**1.9**	1.6	1.3	1.1	1.3	1.4
2	Quick / Acid Test Ratio	Times	**0.5**	0.7	0.7	0.4	0.4	0.3
3	**Cash and Cash Equivalents to Current Liabilities	%	**36.4**	60.6	54.9	33.3	31.5	17.5
4	Cash Flow from Operations to Sales	%	**16.4**	14.6	26.3	25.3	36.5	16.5

**** This includes short term investments**

			2024	2023	2022	2021	2020	2019
Activity / Turnover Ratios								
1	Inventory Turnover Ratio	Times	**1.3**	1.1	2.0	1.8	1.5	1.2
2	No. of Days in Inventory	Days	**291.0**	337.6	182.9	205.8	242.5	303.5
3	Debtor Turnover Ratio	Times	**0.0**	117.5	0.0	0.0	0.0	0.0
4	No. of Days in Receivables	Days	**0.0**	3.1	0.0	0.0	0.0	0.0
5	Creditor Turnover Ratio	Times	**3.0**	1.2	1.7	2.3	2.4	2.4
6	No. of Days in Payables	Days	**122.2**	297.2	209.0	160.9	152.7	150.9
7	Total Assets Turnover Ratio	Times	**1.3**	1.0	1.3	1.4	1.4	1.3
8	Fixed Assets Turnover Ratio	Times	**4.6**	4.8	5.5	4.4	3.8	4.2
9	Operating Cycle	Days	**169**	158	(26)	45	90	153
Investment / Market Ratios								
1	Earnings per Share (EPS) and diluted EPS	Rs	**108.7**	113.3	83.4	73.8	64.6	50.4
2	Price-Earning Ratio	Times	**12.2**	10.0	11.5	16.2	24.9	48.4
3	Dividend Yield Ratio	%	**9.4**	2.8	5.0	6.7	3.6	2.0
4	Dividend Payout Ratio	%	**115.0**	28.2	57.5	108.4	89.9	95.1
5	Dividend Cover Ratio	Times	**0.9**	3.5	1.7	0.9	1.1	1.1
6	Dividend per Share	Rs	**125.0**	32.0	48.0	80.0	58.0	48.0
7	Stock Dividend per Share	Rs	**0.0**	0.0	0.0	0.0	0.0	0.0
8	Market Value per Share at Year-End	Rs	**1,332**	1,131	963	1,198	1,610	2,441
9	Highest Market Value per Share during the year	Rs	**1,387**	1,262	1,185	1,700	2,320	2,999
10	Lowest Market Value per Share during the year	Rs	**850**	579	750	971	1,450	2,186
11	Break-up Value per Share	Rs	**204.7**	200.8	104.2	70.3	76.4	71.6
12	Price to Book Ratio	Times	**6.5**	5.6	9.2	17.0	21.1	34.1
Capital Structure Ratios								
1	Financial Leverage Ratio	Times	**2.0**	2.3	2.8	2.6	2.3	2.2
2	***Weighted Average Cost of Debt	%	**0.0**	0.0	0.0	0.0	0.0	0.0
3	***Debt to Equity Ratio	Times	**0.0**	0.0	0.1	0.1	0.0	0.0
4	Interest Cover/Time Interest Earned Ratio	Times	**39.8**	23.8	107.0	96.5	94.0	91.3

*** The Company does not have any long term financing arrangement

Analysis of Performance Indicators

Profitability Ratios

The Company's profitability ratios were affected by a significant rise in the per-unit cost of sales, driven by the extraordinary increase in tobacco leaf prices during the 2023 procurement season. However, net turnover grew by 10% in 2024, and through the Company's efficiency measures and cost management initiatives, the decline in EPS was contained to 4%. This exemplifies the Company's resilience and its commitment to safeguarding and generating shareholder value amidst challenging circumstances.

Liquidity Ratios

The Company's liquidity ratios have consistently reflected a strong financial position over the years. PTC's cash-advance sales model, combined with strategic resource allocation, has effectively supported its liquidity needs, encompassing capital expenditures and working capital requirements. Additionally, enhanced access to foreign currency facilitated the remittance of dividends to its majority shareholder, BAT, and enabled the settlement of vendor payables for shipments procured under 365-day Letter of Credit (LC) payment terms.

Activity Ratios

The activity ratios have improved on account of effective working capital approach followed by the Company over the years resulting in consistent decline in inventory days. Creditor days have declined by 59% vs. 2023 on account of the aforementioned settlement of foreign vendor payables.

Investment/Market Ratios

The Company is committed to delivering optimal value to its shareholders in both the short and long term. This commitment is evident in the consistent enhancement of investment ratios over the years, demonstrating favourable returns for shareholders. In 2024, the Company's share price increased by 18% compared to 2023, while the Price-Earnings ("P/E") ratio improved by 23%, reflecting heightened shareholder confidence.

Capital Structure Ratios

The Company's capital structure ratios highlight its capability to fulfill financing requirements organically, including those associated with capital expenditures. These needs have been met through cash flows generated from the Company's operations. Consequently, there has been no reliance on long-term financing, although the Company utilizes a leasing facility to provide vehicles for its employees. The financial leverage ratio has decreased by 15%, primarily due to profit repatriation during the year.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventy Eighth (78th) Annual General Meeting (Meeting) of Pakistan Tobacco Company Limited ("the Company") will be held physically at the Serena Hotel, Khayaban-e-Suhrwardy, Islamabad as well as electronically on Thursday, the 24th April 2025 at 10.00 am to transact the following business.

Ordinary Business:

1. To confirm the Minutes of the 77th Annual General Meeting of the Company held on April 24, 2024.

2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended 31st December 2024, together with Directors' and Auditor's Reports thereon.

3. To consider and approve the final cash dividend @ Rs. 0/- per Ordinary Share of the Company as recommended by the Board of Directors for the year ended on 31st December, 2024.

4. To appoint Auditors and to fix their remuneration for the year ending 31st December 2025. The present Auditors, Messrs. KPMG, Chartered Accountants being eligible, offer themselves for reappointment.

5. To elect 12 (twelve) Directors as fixed by the Board of Directors in accordance with Section 159 of the Companies Act, 2017 for a term of three (3) years commencing from the date of Meeting i.e. 24th April 2025 (close of business). The following are the names of the retiring Directors:

1. Mr. Zafar Mahmood
2. Syed Ali Akbar
3. Mr. Mohammad Riaz
4. Mr. Asif Jooma
5. Lt. Gen. Najib Ullah Khan (R)
6. Syed Asad Ali Shah
7. Ms. Belinda Ross
8. Mr. Wael Sabra
9. Mr. Gary Tarrant
10. Mr. Faisal Saif
11. Mr. Nasir Mahmood Khan Khosa
12. Syed Mohammad Ali Abrar

6. To transact any other business with the permission of the Chair

BY ORDER OF THE BOARD

SAMI ZAMAN
Company Secretary

Islamabad: March 29, 2025

NOTES:

1. Annual Report

A soft copy of the annual report for the year ended on December 31, 2024 is being sent through email to the shareholders who have given their email address and a letter with QR code (to access the Annual Report digitally) is being sent to the shareholders at their registered addresses. In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, a digital copy of the Annual Report has been uploaded on the Company's website which can be downloaded from the weblink: www.ptc.com.pk. Shareholders who wish to obtain a hard copy of the Annual Report of the Company are requested to inform at PTC_AGM@bat.com. A hard copy of the Annual Report will be duly sent to them.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will be closed from 17th April 2025 to 24th April 2025 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, FAMCO Share Registration Services (Private) Limited at the close of business on Tuesday, 16th April 2025, will be treated in time to the purposes of attending and voting in the Meeting and for the entitlement of final dividend (subject to approval of the members).

3. Participation in the Annual General Meeting through Online Platform/Facility

Members whose names appear in the Company's Register of Members are entitled to attend and vote at the Meeting. A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy who will have the right to attend, speak and vote in place of that member.

Notice of the Annual General Meeting

An instrument of proxy applicable for the Meeting is being provided with the Notice sent to the members. Proxy form may also be downloaded from the Company's website: www.ptc.com.pk. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarised must, in order to be valid, be deposited at Company's Share Registrar, FAMCO Share Registration Services (Private) Limited not less than forty-eight (48) hours before the time of holding the Meeting (i.e. 24th April 2025 at 10.00 AM). Proxy form(s) received after the said forty-eight (48) hours i.e. after 10:00 AM on 22nd April, 2025 will not be treated as valid.

4. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Investor Account Holders

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

A) In Person:

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original Computerised National Identity Card (CNIC) or valid original passport at the time of attending the Meeting.
(ii) In the case of a corporate entity, presentation of a certified copy of the Board of Directors' Resolution/Power of Attorney with specimen signatures of the nominee must be produced at the time of the Meeting.

B) By Proxy:

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy must be witnessed by two persons whose names, addresses and CNIC numbers should be stated on the form.

(iii) Attested copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures shall be submitted along with the proxy form to the Company's Share Registrar.

(v) The proxy shall produce his/her original CNIC or original valid passport at the time of the Meeting.

For any shareholders who want to attend the Annual General Meeting via online connectivity, it is requested to please send an email to PTC_AGM@bat.com by 10:00am on April 18, 2025 so a connection link may be communicated to such shareholder.

5. Submission of CNIC/NTN Details (Mandatory)

In accordance with the notifications / directives of the SECP vide S.R.O. 779(1)/2011 dated August 18, 2011 and S.R.O. 83(1)/2012 dated July 5, 2012, dividend warrants should bear CNIC number of the registered member or the authorised person, except in case of minor(s) and corporate members. The CNIC number /NTN details are mandatory and are also required for checking the tax status as per the Active Tax Payers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

Individuals including all joint holders holding physical certificates are therefore requested to submit a copy of their valid CNIC to the Company or its Registrar, if not already provided. The shareholders while sending CNIC must quote their respective folio numbers.

In cases of non-receipt of the copy of a valid CNIC, the Company would be constrained under Section 243(3) of the Companies Act, 2017 to withhold dispatch of divided of such shareholders.

Notice of the Annual General Meeting

6. Electronic Credit Mandate for Payment of Cash Dividend (Mandatory)

Pursuant to the provisions of Section 242 of the Companies Act, 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode by making direct remittance into their respective bank account designated by the entitled shareholder(s) ("the bank account").

Therefore, in order to receive dividends directly into the bank account, shareholders holding shares in physical form are requested to fill in "Electronic Credit Mandate Form" available on Company's website i.e. www.ptc.com.pk and send the completed form along with a copy of a valid CNIC and provide the following information to the registrar of the Company FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi latest by 16th April, 2025.

Folio Number
Name of Shareholder
Title of the Bank Account
International Bank Account (IBAN) (24 digits)
Name of Bank
Name of Bank Branch and Address
Cellular Number of Shareholder
Landline Number of Shareholder
Email Address
CNIC/NTN Number, in case of corporate shareholder (Attach Copy)
Signature of Member

7. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 (Mandatory)

(i) The rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

(a) Rate of tax deduction for shareholders appearing in Active Taxpayers List (ATL): 15%

(b) Rate of tax deduction for shareholders not appearing in Active Taxpayers List (ATL): 30%

To enable the Company to make a tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that that their names are entered in ATL, otherwise the tax on their cash dividend will be deducted @ 30% instead of 15%.

(ii) Withholding Tax exemption from the dividend income, shall only be allowed if a copy of valid tax exemption certificate is made available to FAMCO Share Registration Services (Private) Limited, by the first day of Book Closure.

(iii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/ Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing in the following manner:

Company Name	Folio/ CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC #	Shareholding Proportion (No. of Shares)	Name & CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this Notice; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

The required information must reach our Share Registrar within ten (10) days of this Notice; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

(iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or FAMCO Share Registration Services (Private) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

8. Intimation for Non-Resident Individual Sharholders:

Non-resident individual shareholders shall submit declaration or undertaking with a copy of their valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Share Registrar (FAMCO Share Registration Services (Private) Limited) or email at the latest by 16th April 2025. The copy of declaration form can be downloaded from the Company's Shares Registrar website: www.famcosrs.com.

9. Zakat Deductions

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarised copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Company's Share Registrar.

10. E-Voting

Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

11. Video-Link Facility

Pursuant to Section 134(1)(b) of the Companies Act, 2017 and SECP's circular No. 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least ten (10) days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information to the Company's Shares Registrar.

I/We, ____________________ being a member of Pakistan Tobacco Company Limited holding ________ of Ordinary Shares(s) as per Register Folio No. ____________________ hereby opt for the Video Conference facility at (Please insert name of the City).

12. Election of Directors

The term of the office of the present Board of Directors of the Company will expire on 21st April 2025. In terms of Section 159(1) of the Companies Act, 2017 the Board of Directors in its Board meeting has fixed the number of elected Directors at twelve (12) to be elected in the Annual General Meeting of the Company for the period of next three (3) years. Any person who seeks to contest the election to the office of a Director, whether he/she is a retiring Director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company located at Serena Business Complex, Khayaban-e-Suhrwardy, Islamabad, not later than fourteen (14) days before the date of the Meeting.

(i) Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of Section 159(3) of the Companies Act, 2017, selecting any one category in which he/she intends to contest, in accordance with Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The categories of Directors and number of Directors to be elected in each category are as follows:

Notice of the Annual General Meeting

Category	No. of Directors to be Elected
Female Director	2
Independent Directors	4
Other Directors	6

(ii) Notice of his/her intention to offer himself/herself for the election of Directors as per Section 159(3) of the Companies Act, 2017 and consent to act as a director on Form 9 as prescribed under the Companies Act, 2017 and the Companies Regulations, 2024. (Any person contesting the election of directors must be a Member of the Company at the time of filing his/her consent unless such person is representing a member which is not a natural person.).

(iii) A signed declaration confirming that:

(a) He/she is aware of his/her duties and powers under the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.

(b) He/she is not ineligible to become a director of a listed company under the provisions of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws and regulations.

(iv) A detailed profile along with his/her office address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.

(v) Details of other directorships held.

(vi) A copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number/CDC Account or Sub Account number.

(vii) A director must be holding 1 qualification share of the Company at the time of filing of his / her consent to act as director. The aforesaid qualification shall not be applicable for instances mentioned in Section 153(i) of the Companies Act 2017.

(viii) The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:

(a) Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

(b) Undertaking on non-judicial stamp paper that he /she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of Independent Director, shall be subject to due diligence by the Company as prescribed under Section 166 of the Companies Act, 2017 and Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the Meeting in terms of Section 159(4) of the Companies Act, 2017. The website of the Company will be updated with the required information and Directors' profile.

13. Change of Address

Members are requested to notify any change in their addresses immediately.

(i) Members holding shares in physical form are requested to notify the Company's Share Registrar promptly of changes in their address.

(ii) Members holding shares in electronic form with CDC must notify change of address to their participants or CDC Investor Account Services with whom the account is maintained.

Notice of the Annual General Meeting

14. Unclaimed Dividend / Shares U/S 244 of the Companies Act, 2017:

An updated list for unclaimed dividend/shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Company's website: https://www.ptc.com.pk/

Claims can be lodged by shareholders on Claim Form as is available on the Company's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend/ shares.

15. Conversion of Shares from Physical Form to Book-Entry-Form:

The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing attention towards the provision of Section 72 of the Companies Act, 2017 which requires all companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four (4) years from the date of the promulgation of the Companies Act, 2017. In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form. This will facilitate them in many ways, including safe custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

16. Details:

Company Contact:
Company Secretary,
Pakistan Tobacco Company Limited,
Serena Business Complex,
Khayaban-e-Suhrwardy, Islamabad
Phone: (051) 2083200.
Email address: ptc_company_secretary@bat.com

Share Registrar:
FAMCO Share Registration Services (Pvt) Ltd.
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi
Phone: (021) 34380101-5
Email address: info.shares@famcosrs.com

Statement of Compliance

With The Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company:	**Pakistan Tobacco Company Limited**
Year ended:	**December 31, 2024**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations) in the following manner:

1. Total number of Directors are twelve as per the following:

a) Male: 11
b) Female :1

2. The Board's composition is as follows:

i) Independent Directors
Zafar Mahmood (Chairman)
Lt. Gen. Najib Ullah Khan (R)
Mohammad Riaz
Asif Jooma
ii) Non- Executive Directors
Wael Sabra
Belinda Joy Ross
Nasir Mahmood Khan Khosa
Gary Tarrant
Faisal Saif
iii) Executive Directors
Syed Ali Akbar *(Managing Director and CEO)*
Syed Muhammad Ali Abrar
Syed Asad Ali Shah
iv) Female Director
Belinda Joy Ross

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Seven out of twelve have already attended the Directors' Training Program.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed Committees comprising of members given below:

a) The Audit Committee
Mohammad Riaz *Member & Chairman*
Lt. Gen. Najib Ullah Khan (R) *Member*
Belinda Joy Ross *Member*
Wael Sabra *Member*
Asif Jooma *Member*
b) HR and Remuneration Committee
Lt. Gen. Najib Ullah Khan (R) *Member & Chairman*
Mohammad Riaz *Member*
Asif Jooma *Member*

Statement of Compliance

With The Listed Companies (Code of Corporate Governance) Regulations, 2019

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the Committees were as per the following:

a) The Audit Committee: Four (4) quarterly meetings were held during the year ended 31 December 2024.

b) HR and Remuneration Committee: One (1) meeting was held during the year ended 31 December 2024.

15. The Board has set up an effective internal audit function that is suitably staffed with qualified and experienced personnel, who are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Zafar Mahmood
Chairman

Syed Ali Akbar
MD & CEO

Independent Auditors' Review Report

To The Members Of Pakistan Tobacco Company Limited

Review Report on the Statement of Compliance Contained In Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Tobacco Company Limited ("the company") for the year ended 31 December 2024 In accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2024

KPMG Taseer Hadi

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad.
Date: 28 March 2025
UDIN: CR202410240pVKvEr3C7

Financial Statements

For The Year Ended December 31, 2024

Independent Auditors’ Report

Opinion

We have audited the annexed financial statements of Pakistan Tobacco Company Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company’s affairs as at 31 December 2024 and of the profit , the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key Audit Matters	How the Matters Were Addressed in Our Audit
1. Revenue Recognition Refer notes 7.1 and 8 to the financial statements. The Company is engaged in the production and sale of tobacco products and velo. For the year ended December 31, 2024, the Company recognized net turnover of Rs 121,078 million from the sales of cigarettes, tobacco, Velo, and Vuse. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our audit procedures in respect of recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation, and operating effectiveness of key internal controls over recording of revenue. • Comparing a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers. ' • Comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; and • Assessing the appropriateness of disclosures in the financial statements.

<table>
<tr><th>Key Audit Matters</th><th>How the Matters Were Addressed in Our Audit</th></tr>
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2. Valuation of stock-in-trade

Refer notes 7.13 and 20 to the financial statements.

As at December 31, 2024, stock-in-trade is stated at Rs. 48,842 million. Stock-in-trade is measured at the lower of cost or net realizable value.

We identified valuation of stock-in-trade as a key audit matter due to its size, representing 51.7% of total assets of the Company as at December 31, 2024, and the judgment involved in valuation.

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Our audit procedures in respect of valuation of stock-in-trade, amongst others, included the following:

- Assessing the design, implementation, and operating effectiveness of key internal controls over valuation of stock-in-trade including determination of net realizable values.
- Attending inventory counts and reconciling the count results to the inventory listings.
- Assessing the accuracy of cost of stock-in-trade in accordance with the accounting policy.
- Assessing the net realizable value of stock-in-trade by comparing, on a sample basis, management's estimation of future selling prices for the products and selling prices achieved subsequent to the end of the reporting period; and
- Comparing the net realizable value to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.

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Independent Auditors' Report

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended December 31, 2024 but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

Independent Auditors' Report

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017).

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns.

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Ubbaid Ullah.

KPMG Taseer Hadi

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 28 March 2025
UDIN: AR2024102406qyZHIF8z

Statement of Profit or Loss

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Gross Turnover	8	**355,506,715**	315,844,419
Excise duties		**(179,481,016)**	(158,587,276)
Sales tax		**(54,947,896)**	(47,324,275)
Net turnover		**121,077,803**	109,932,868
Cost of sales	9	**(61,264,603)**	(50,453,836)
Gross profit		**59,813,200**	59,479,032
Selling and distribution costs	10	**(7,193,982)**	(6,867,736)
Administrative expenses	11	**(4,986,051)**	(5,734,191)
Other operating expenses	12	**(3,406,342)**	(3,979,102)
Other income	13	**221,614**	2,121,627
		(15,364,761)	(14,459,402)
Operating profit		**44,448,439**	45,019,630
Finance income - gain on sale of T-bills		**6,325,660**	7,183,870
Finance cost	14	**(1,274,538)**	(2,191,044)
Net finance income		**5,051,122**	4,992,826
Profit before income tax and final / minimum taxes		**49,499,561**	50,012,456
Final / minimum tax expense	15	**-**	(111,451)
Profit before income tax		**49,499,561**	49,901,005
Income tax expense	15	**(21,716,628)**	(20,941,342)
Profit for the year		**27,782,933**	28,959,663
Earnings per share (basic and diluted) - (Rupees)	16	**108.74**	113.35

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR

Statement of Comprehensive Income

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Profit for the Year		**27,782,933**	28,959,663
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit pension and gratuity plans	**33**	**405,392**	(286,673)
- Tax (charge) / credit related to remeasurement gain / loss on defined benefit pension and gratuity plans	**15**	**(158,103)**	151,453
		247,289	(135,220)
Total comprehensive income for the year		**28,030,222**	(28,824,443)

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Statement of Financial Position

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Non Current Assets			
Property, plant and equipment	17	24,686,758	21,671,778
Advance for capital expenditure		1,681,630	1,346,732
Long term investment in subsidiary Company	18	5,000	5,000
Long term deposits and prepayments	19	27,895	42,395
		26,401,283	23,065,905
Current Assets			
Stock-in-trade	20	48,841,991	46,672,301
Stores and spares	21	605,175	630,989
Trade debts	22	3,364	2,687,721
Loans and advances	23	273,629	646,419
Short term prepayments		277,399	220,716
Other receivables	24	4,771,361	3,163,429
Short term investments	25	-	14,557,699
Cash and bank balances	26	13,302,754	17,938,895
		68,075,673	86,518,169
Current Liabilities			
Trade and other payables	27	28,526,300	39,130,358
Other liabilities	28	2,741,079	2,089,190
Lease liability	30	719,693	852,765
Unpaid dividend	31	142,980	8,141,160
Unclaimed dividend		133,968	105,081
Current income tax liabilities		4,270,399	3,285,951
		36,534,419	53,604,505
Net current assets		31,541,254	32,913,664
Non current liabilities			
Lease liability	30	3,161,701	2,569,277
Deferred income tax liabilities	32	2,490,869	2,095,119
		5,652,570	4,664,396
Net assets		52,289,967	51,315,173
Share capital and reserves			
Share capital	34	2,554,938	2,554,938
Capital reserve	35	8,923,501	4,042,204
Revenue reserve - Unappropriated profits		40,811,528	44,718,031
		52,289,967	51,315,173
Contingencies and commitments	36		

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Statement of Changes in Equity

For The Year Ended December 31, 2024

	Share Capital	Capital Reserve - Other Reserve	Revenue Reserve - Unappropriated Profit	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at January 1, 2023	**2,554,938**	**-**	**24,069,389**	**26,624,327**
Total Comprehensive Income for the Year:				
Profit for the year	-	-	28,959,663	28,959,663
Other comprehensive income for the year	-	-	(135,220)	(135,220)
Total Comprehensive income for the year	**-**	**-**	**28,824,443**	**28,824,443**
Non reciprocal capital contribution/waiver of liabilities		4,042,204		4,042,204
Transactions with Owners of the Company:				
Interim dividend of Rs. 10 per share relating to the year ended December 31, 2023	-	-	(2,554,938)	(2,554,938)
Interim dividend of Rs. 22 per share relating to the year ended December 31, 2023	-	-	(5,620,863)	(5,620,863)
	-	-	(8,175,801)	(8,175,801)
Balance as at December 31, 2023	**2,554,938**	**4,042,204**	**44,718,031**	**51,315,173**
Balance as at January 1, 2024	**2,554,938**	**4,042,204**	**44,718,031**	**51,315,173**
Total comprehensive income for the year:				
Profit for the year	**-**	**-**	**27,782,933**	**27,782,933**
Other comprehensive income for the year	**-**	**-**	**247,289**	**247,289**
Total comprehensive income for the year	**-**	**-**	**28,030,222**	**28,030,222**
Non reciprocal capital contribution/waiver of liabilities	**-**	**4,881,297**	**-**	**4,881,297**
Transactions with owners of the Company:				
Interim dividend of Rs. 30 per share relating to the year ended December 31, 2024	**-**	**-**	**(7,664,814)**	**(7,664,814)**
Interim dividend of Rs. 30 per share relating to the year ended December 31, 2024	**-**	**-**	**(7,664,814)**	**(7,664,814)**
Interim dividend of Rs. 35 per share relating to the year ended December 31, 2024	**-**	**-**	**(8,942,283)**	**(8,942,283)**
Interim dividend of Rs. 30 per share relating to the year ended December 31, 2024	**-**	**-**	**(7,664,814)**	**(7,664,814)**
Total transactions with owners of the Company	**-**	**-**	**(31,936,725)**	**(31,936,725)**
Balance as at December 31, 2024	**2,554,938**	**8,923,501**	**40,811,528**	**52,289,967**

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Statement of Cash Flows

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Cash Flows from Operating Activities			
Cash generated from operations	40	41,551,511	36,045,452
Finance cost paid		(94,585)	(208,133)
Income tax paid		(20,494,533)	(19,074,005)
Contribution to retirement benefit funds		(1,102,389)	(672,005)
Net cash generated from operating activities		19,860,004	16,091,309
Cash flows from investing activities			
Purchases of property, plant and equipment		(3,836,418)	(4,260,243)
Advance for capital expenditure		(334,898)	(814,626)
Proceeds from sale of property, plant and equipment		481,320	257,488
Interest received		6,325,660	7,027,604
Net cash generated from investing activities		2,635,664	2,210,223
Cash flows from financing activities			
Dividends paid		(39,906,018)	(5,427,019)
Lease payments		(1,783,490)	(1,478,826)
Repayment to export refinance facility		-	(2,300,000)
Net cash used in financing activities		(41,689,508)	(9,205,845)
Net (decrease) / increase in cash and cash equivalents		(19,193,840)	9,095,687
Cash and cash equivalents at beginning of the year		32,496,594	23,400,907
Cash and cash equivalents at end of the year		13,302,754	32,496,594
Cash and cash equivalents comprise:			
Cash and bank balances	26	13,302,754	17,938,895
Short term investments	25	-	14,557,699
		13,302,754	32,496,594

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Notes to the Financial Statements

For The Year Ended December 31, 2024

1 **Corporate and general information**

The Company and its Operations

Pakistan Tobacco Company Limited (the Company) is a public limited Company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent Company is British American Tobacco p.l.c, United Kingdom. The principal activity of the Company is to manufacture and sell cigarettes, tobacco, VELO™ and VUSE™.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad, Pakistan. The Company has three manufacturing plants one located in Akora Khattak and two in Jhelum.

These financial statements are the separate financial statements of the Company in which investment in subsidiary is carried at cost. Consolidated financial statements are prepared separately.

Capacity and Production

Against an estimated manufacturing capacity of 46,780 million cigarettes (2023: 51,800 million cigarettes) actual production was 29,262 million cigarettes (2023: 28,153 million cigarettes). For modern oral manufacturing capacity was 1,250 million pouches (2023: 1,097 million) and actual production was 778 million pouches (2023: 550 million). The split from each industrial unit is given below.

FMC	Manufacturing Capacity	
Site	2024 (Units in Millions)	2023 (Units in Millions)
Akora Khattak Factory	23,180	24,500
Jhelum Factory	23,600	27,300
Total	**46,780**	**51,800**

Modern Oral	Manufacturing Capacity	
Site	2024 (Units in Millions)	2023 (Units in Millions)
Jhelum Factory	**1,250**	1,097

FMC	Actual Production	
Site	2024 (Units in Millions)	2023 (Units in Millions)
Akora Khattak Factory	13,943	13,450
Jhelum Factory	15,319	14,703
Total	**29,262**	**28,153**

Modern Oral	Actual Production	
Site	2024 (Units in Millions)	2023 (Units in Millions)
Jhelum Factory	**778**	550

Actual production is less than the installed capacity due to market demand.

Number of employees

Total number of employees as at December 31, 2024 were 1,034 (2023: 1,011). Out of the total number of employees, the number of factory employees as at December 31, 2024 were 393 (2023: 395). Average number of employees during the year were 1,023 (2023: 1,026), whereas average factory employees during the year were 394 (2023: 395)

2 **Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies notes including but not limited to:

- Defined benefit plans
- Leases
- Short-term investments

4 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency), which is the Pakistan rupee (Rs).

5 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised, prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Significant estimates

- Note 7.10 & 17 – useful lives, residual values and depreciation method of property, plant and equipment
- Note 33 – Retirement benefits

Other estimates

- Note 20 and 21 – Provision for obsolescence of stock in trade and stores and spares
- Notes 15 and 32 – Provision for income tax and calculation of deferred tax
- Note 37 – Financial instruments – fair values
- Note 36 – Contingencies

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then management assesses the evidence obtained from the third parties to support its conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring fair value of an asset or a liability, the Company uses observable and available market 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, which are observable

For The Year Ended December 31, 2024

and available 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 and available market data (unobservable inputs).

  If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review

- Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and

- how a Company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:
- the nature and financial impacts of the currency not being exchangeable;

- the spot exchange rate used;

- the estimation process; and

- risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025.

Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:

Disclosures:

- Financial Assets with ESG-Linked features: Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

For The Year Ended December 31, 2024

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

** The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

i. not related directly to a change in basic lending risks or costs; and

ii. are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognise its trade payable before the settlement date, potentially on the date when payment cannot be cancelled, when it uses an electronic payment system that meets all of the following criteria:

i. no practical ability to withdraw, stop or cancel the payment instruction;

ii. no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

iii. the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a Company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

**Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - **IFRS 7 Financial Instruments: Disclosures and its acCompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;

- IFRS 10 Consolidated Financial Statements; and

- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

  Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for derecognition of a lease liability under paragraph 23 of IFRS 9:

  When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

  The amendment on trade receivables may require some companies to change their accounting policy.

  The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

  The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

7 Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

- The Institute of Chartered Accountants of Pakistan issued a circular on May 15, 2024, withdrawing Technical Release 27 and releasing new guidance for accounting income taxes. The new guidance, "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes', clarifies that only taxes calculated based on 'taxable profit' are within the scope of IAS 12 "Income Taxes". In contrast, taxes under the minimum tax regime are considered 'levies' under IAS 37" Provisions, Contingent Liabilities and Contingent Assets" and IFRIC 21 "Levies". Levies and income taxes should be presented separately in the statement of profit or loss.

  As a result the Company has updated its accounting policy to classify and present taxes under the minimum tax regime as 'levies' instead of 'income tax'. The change has no significant impact on prior-year figures, so these figures have not been restated. Additionally, the change does not materially affect the amounts reported as of December 31, 2022, so the statement of financial position as of January 1, 2022, has not been included in the financial statements.

  Material accounting policy Information of the Company is as follows:

7.1 Revenue recognition

Net Revenue (net turnover) represents gross revenue net of indirect taxes. Gross revenue (gross turnover) is the the invoiced value for the sale of goods including indirect taxes net of rebates and discounts. Certain marketing costs are deducted from the gross amount of sales. Revenue from the sale of goods is recognised when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods. Revenue is recognised when specific criteria have been met for each of the Company's activities as described below.

Revenue from contracts with customers

For The Year Ended December 31, 2024

Sale of goods

Sale of goods is recognised when the Company has transferred control of the products to the distributor and there is no unfulfilled obligation that could affect the distributor's acceptance of the products.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

A contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. When customer pays consideration before the transfer of goods, a contract liability is recognised. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Income on bank deposits

Income on bank deposits is accounted for on the time proportion basis using the applicable rate of return.

Income on short term investments

Short term investments, classified as financial assets at fair value through profit or loss, are re-measured to fair value at each reporting date until the assets are de-recognised. The gains and losses arising from changes in fair value are included in the statement of profit or loss in the period in which they occur.

Others

Scrap sales and miscellaneous receipts are recognised on realised amounts. All other income is recognised on accrual basis.

7.2 Levies

Any tax charged under the income tax laws which is not based on the taxable income is classified as levy in the Statement of profit or loss as these levies fall under the scope of IAS 37 'Provisions, Contingent liabilities and Contingent Assets'/ IFRIC 21 'Levies'.

7.3 Income tax

Income tax expense for the year comprises current and deferred income tax, and is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in the equity. In this case, income tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred income tax is recognised, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

7.4 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognised for future operating losses. All provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

7.5 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

7.6 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realization becomes certain.

7.7 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognised in the financial statements.

7.8 Employee benefits

(a) Retirement benefit plans

The Company operates various retirement benefit schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations or up to the limit allowed as per the Income Tax Ordinance, 2001. The Company has both defined contribution and defined benefit plans.

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate fund. The Company has no further legal or constructive obligation to pay contributions if the fund does not hold sufficient assets to pay all employees, the benefits relating to employees' service in the current and prior periods.

A defined benefit plan is a plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Company operates:

(i) Defined benefit, approved funded pension scheme for management and certain grades of business support officers and approved gratuity scheme for all employees. Employees also contribute to the pension scheme. The liability recognised in the balance sheet in respect of pension and gratuity schemes is the present value of the defined benefit obligation of the Company at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government bonds denominated in Pakistan rupee and have terms to maturity approximating to the terms of the related liability.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(ii) Approved contributory provident fund for all employees is administered by trustees and approved contributory pension fund for the new joiners. The contributions of the Company are recognised as employee benefit expense when they are due. Prepaid contributions, if any, are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(c) Medical benefits

The Company maintains a health insurance policy for its entitled employees and their dependents and pensioners and their spouses. The Company contributes premium to the policy annually. Such premium is recognised as an expense in the statement of profit or loss.

(d) Bonus plans

The Company recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments and performance targets. The Company recognises a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

(e) Share-based payments

The Company has two cash-settled share-based compensation plans. Share options are granted to key management personnel which vest over a period of three years. A liability equal to the portion of the services received is recognised at its current fair value determined at each statement of financial position date.

Where applicable, the Company recognises the impact of revisions to original estimates in the statement of profit or loss, with a corresponding adjustment to current liabilities for cash-settled schemes.

(i) Restricted Share Plan (RSP)

Nil-cost option exercisable after three years from date of grant with a contractual life of ten years. Pay-out is subject to performance conditions based on earnings per share, operating cash flow, total shareholder return and net turnover of the British American Tobacco (BAT) group. Total shareholder return combines the share price and dividend performance of the BAT group by reference to one comparator group.

(ii) Deferred Share Bonus Scheme (DSBS)

Free ordinary shares released three years from date of grant and may be subject to forfeit if a participant leaves employment before the end of the three years holding period. Participants receive a separate payment equivalent to a proportion of the dividend payment during the holding period. Share options are granted in March each year.

7.9 Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below Rs 100,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

7.10 Property, plant and equipment

Owned assets

These are stated at cost less accumulated depreciation and any accumulated impairment losses, except freehold land and capital work in progress which are stated at cost less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance expenses are recognised in the statement of profit or loss during the financial period in which they are incurred.

Free-hold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less residual value over their estimated useful lives at the following annual rates:

- Buildings on freehold and leasehold land 3%
- Plant and machinery 5%
- Air conditioners (included in plant and machinery) 20%

For The Year Ended December 31, 2024

- Office and household equipment 20% to 33.3%
- Furniture and fittings 10% to 20%
- Vehicles – owned and leased 16%

Depreciation on additions and deletions during the year is charged on a pro rata basis from the month when the asset is put into use or up to the month when asset is disposed/ written off.
Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposals of operating fixed assets are recognised in the statement of profit or loss.

Right of use assets

Right of use asset is calculated as the initial amount of the lease liability in terms of property rentals and vehicle rentals at the lease contract commencement date. The right of use asset is subsequently depreciated using the straight-line method for a period of lesser of useful life or actual lease term.

7.11 Impairment of non-financial asset

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

7.12 Long term investment in subsidiary

The investment in subsidiary Company is carried at cost less any impairment losses. The profit and loss of the subsidiary Company is carried in the financial statements of the subsidiary Company and is not dealt with for the purpose of the separate financial statements of the Company except to the extent of dividend declared (if any) by the subsidiary Company.

7.13 Stock in trade

Stock-in-trade is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in process comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less cost of completion and costs necessary to be incurred to make the sale.

7.14 Stores and spares

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average. Items in transit are valued at cost comprising invoice value and other related charges incurred up to the statement of financial position date. For items which are slow moving, adequate impairment is recognised. The Company reviews the carrying number of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

For The Year Ended December 31, 2024

7.15 Financial Instruments

Financial assets

i. Recognition and de-recognition

The Company initially recognises financial assets on the date when they are originated. Financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ii. Classification

On initial recognition, a financial asset is classified as measured at:
- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL)

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

(a) Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

iii. Subsequent measurement

Financial assets at FVTPL

Measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

Measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For The Year Ended December 31, 2024

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

iv. De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

v. Impairment of financial assets

The Company recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assessed whether the financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

7.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

For The Year Ended December 31, 2024

7.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and highly liquid investments with less than three months maturity from the date of acquisition. Short term finance facilities availed by the Company, which are repayable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents in the statement of cash flows. Cash equivalents are short term highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

7.18 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the statement of profit of loss.

7.19 Fair value measurement

'Fair value' is the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities (See Note 5). When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

7.20 Operating segments

The Board of Directors of the Company, which is chief operating decision-maker, is responsible for allocating resources and assessing Company's performance and operations has identified one reportable segment. Accordingly, these financial statements have been prepared on the basis of single reportable segment. Revenue from external customers along with local and export sales is disclosed in note 8. Revenue from transaction with a single customer did not exceed 10% of Company's total revenue. All the assets of the Company are based in Pakistan.

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
8. Gross Turnover		
- Domestic	**345,475,397**	302,489,188
- Export	**10,031,318**	13,355,231
	355,506,715	315,844,419

Revenue recognised during the year that was included in the contract liability balance at the beginning of year is Rs. 2,890 thousand (2023: Rs. 715,884 thousand).

	2024 Rs. '000	2023 Rs. '000
9. Cost of sales		
Raw material consumed		
Opening stock of raw materials and work in process	**43,673,170**	21,904,030
Raw material purchases and expenses - note 9.1	**50,601,938**	64,659,554
Closing stock of raw materials and work in process	**(47,691,848)**	(43,673,170)
	46,583,260	42,890,414
Government taxes and levies		
Customs duty and surcharges	**1,182,183**	1,860,394
Provincial and municipal taxes and other duties	**1,142,649**	351,900
	2,324,832	2,212,294
	48,908,092	45,102,708
Provision for severance benefits	**253,182**	(2,124,849)
Production overheads		
Salaries, wages and benefits	**3,873,700**	3,042,939
Stores, spares and machine repairs	**2,288,706**	1,483,362
Fuel and power	**1,692,260**	975,042
Insurance	**112,261**	94,825
Repairs and maintenance	**647,272**	502,882
Postage, telephone and stationery	**27,674**	12,292
Information technology	**62,893**	56,411
Depreciation - note 17.3	**1,316,143**	1,163,542
Provision for damaged stocks / stock written off	**414,446**	134,176
Provision for slow moving items / stores written off	**104,375**	-
Sundries	**141,225**	20,986
	10,680,955	7,486,457
Cost of goods manufactured	**59,842,229**	50,464,316
Cost of finished goods		
Opening stock	**3,141,068**	3,130,588
Closing stock	**(1,718,694)**	(3,141,068)
	1,422,374	(10,480)
Cost of sales	**61,264,603**	50,453,836

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
9.1	**Raw material purchases and expenses:**		
	Materials	**45,600,844**	59,313,458
	Salaries, wages and benefits	**1,816,937**	1,839,276
	Stores, spares and machine repairs	**534,465**	997,556
	Fuel and power	**712,673**	721,828
	Property rentals	**4,801**	33,641
	Insurance	**35,611**	22,312
	Repairs and maintenance	**572,683**	315,655
	Postage, telephone and stationery	**94,397**	21,603
	Depreciation / impairment - note 9.1.1 & 17.3	**188,236**	347,616
	Sundries	**1,041,291**	1,046,609
		50,601,938	64,659,554

9.1.1 During the period, the Company reversed impairment amounting to Rs. 193,478 thousand. This reversal reflects the reintegration of a previously idle facility into our operations. The facility is now actively utilized as part of our environment excellence agenda, and it is being put to beneficial use in line with our sustainability goals.

		2024 Rs. '000	2023 Rs. '000
10	**Selling and distribution costs**		
	Salaries, wages and benefits	**1,578,960**	1,304,098
	Selling expenses	**4,671,993**	4,763,294
	Freight	**199,049**	170,647
	Repairs and maintenance	**38,350**	95,088
	Postage, telephone and stationery	**8,126**	31,447
	Travelling	**108,844**	135,414
	Property rentals	**25,515**	12,778
	Insurance	**40,323**	31,559
	Provision for damaged stocks / stock written off	**28,960**	55,451
	Finished goods / wrapping material stock written off	**194,723**	9,808
	Depreciation / impairment - note 10.1 & 17.3	**299,139**	258,152
		7,193,982	6,867,736

10.1 This includes impairment on property, plant & equipment amounting to Rs. 418 thousand (2023: Rs. 58 thousand).

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
11	**Administrative expenses**		
	Salaries, wages and benefits	**1,488,421**	1,305,636
	Fuel and power	**18,177**	11,907
	Insurance	**13,953**	13,245
	Repairs and maintenance	**62,736**	70,782
	Postage, telephone and stationery	**12,181**	21,389
	Legal and professional charges	**127,445**	128,062
	Donations - note 11.2	**600**	-
	Information technology	**2,611,223**	3,638,663
	Travelling	**161,102**	105,450
	Depreciation / impairment - note 11.1 & 17.3	**441,515**	383,654
	Auditor's remuneration and expenses - note 11.3	**25,753**	19,340
	Sundries	**22,945**	36,063
		4,986,051	5,734,191

11.1 This includes impairment on property, plant & equipment amounting to Rs. 73 thousand (2023: Rs. 200 thousand).

11.2 There were no donations in which the directors, or their spouses, had any interest.

		2024 Rs. '000	2023 Rs. '000
11.3	Auditor's remuneration and expenses include:		
	- Statutory audit fee	**4,097**	3,278
	- Group reporting, review of half yearly accounts, audit of consolidated accounts, audit of staff retirement benefit funds and other certifications and review of Statement of Compliance with Code of Corporate Governance	**19,835**	14,625
	- Out-of-pocket expenses	**1,821**	1,437
		25,753	19,340
12	**Other operating expenses**		
	Workers' Profit Participation Fund - note 27.7	**2,483,410**	2,903,043
	Workers' Welfare Fund - note 27.6	**922,932**	1,076,059
		3,406,342	3,979,102
13	**Other income**		
	Income from services rendered to associated companies:		
	- BAT Middle East DMCC - UAE	**-**	376,128
	Reimbursement of expenses by associated companies:		
	- BAT Middle East DMCC - UAE	**-**	1,634,274
	Gain on disposal of property, plant and equipment	**218,074**	106,142
	Miscellaneous	**3,540**	5,083
		221,614	2,121,627

Notes to the Financial Statements

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
14	**Finance cost**		
	Interest expense on		
	- Bank borrowings	**5,102**	153,821
	- Lease liability	**756,404**	464,124
	Bank charges and fees	**89,483**	67,946
	Foreign exchange loss - net	**423,549**	1,505,153
		1,274,538	2,191,044
15	**Tax expense**		
	Final / minimum tax	**-**	111,451
	Income tax - note 15.1		
	Current:		
	For the year	**21,207,189**	17,462,296
	For prior years	**271,792**	2,102,372
		21,478,981	19,564,668
	Deferred	**237,647**	1,376,674
		21,716,628	20,941,342

15.1 Income tax, amounting to Rs. 21,716,628 thousand (2023: Rs. 20,941,342 thousand) represents tax liability calculated under relevant provisions of the Income Tax Ordinance 2001, in line with the requirements of IAS 12.

15.2 Current tax increase in 2024 is due to withdrawal of export rebate, however was offset against additional super tax levied in 2023 on prior year and deferred tax.

15.3 Effective tax rate reconciliation:

Numerical reconciliation between the average effective income tax rate and applicable income tax rate is as follows:

	2024	2023
Applicable tax rate	**29.00**	29.00
Tax effect of:		
Super tax - current year	**10.07**	9.03
Prior year charge	**0.36**	4.21
Income taxed at different rate	**-**	(3.44)
Others	**4.44**	3.30
Average effective tax rate	**43.87**	42.1

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
15.4	Tax on items directly credited to statement of other comprehensive income		
	Deferred tax charge/(credit) on defined benefit plans	**158,103**	(151,453)
		158,103	(151,453)
16	**Earnings per share**		
	Profit after tax (Rs. '000)	**27,782,933**	28,959,663
	Number of fully paid weighted average ordinary shares ('000)	**255,494**	255,494
	Earnings per share - Basic (Rs.)	**108.74**	113.35

There is no dilutive effect on the basic earnings per share of the Company.

		2024 Rs. '000	2023 Rs. '000
17	**Property, plant and equipment**		
	Operating assets - note 17.1	20,288,997	19,029,849
	Capital work in progress - note 17.2	4,397,761	2,641,929
		24,686,758	21,671,778

For The Year Ended December 31, 2024

17.1 Operating assets

	Free-hold land	Buildings on freehold land	Plant and machinery	Office and household equipment	Furniture and fittings	Vehicles	Right of use assets: Land and building	Right of use assets: Factory Vehicles - Fork Lifter Trucks	Right of use assets: Vehicles	Right of use assets: Sub-total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At January 1, 2023											
Cost	30,570	1,686,158	22,130,632	2,669,093	841,811	68,177	2,144,667	391,656	1,913,363	4,449,686	31,876,127
Accumulated Depreciation / impairment	-	(619,279)	(10,721,025)	(2,027,070)	(433,244)	(58,754)	(1,401,083)	(216,442)	(643,007)	(2,260,532)	(16,119,904)
Net book value at January 1, 2023	**30,570**	**1,066,879**	**11,409,607**	**642,023**	**408,567**	**9,423**	**743,584**	**175,214**	**1,270,356**	**2,189,154**	**15,756,223**
Year ended December 31, 2023											
Net book value at January 1, 2023	30,570	1,066,879	11,409,607	642,023	408,567	9,423	743,584	175,214	1,270,356	2,189,154	15,756,223
Additions	-	74,528	1,616,612	190,401	11,813	3,132	1,890,236	62,900	893,059	2,846,195	4,742,681
Transfer from CWIP	-	27,047	619,099	156,134	26,975	6,000	-	-	-	-	835,255
Disposals	-	-	(969)	(2,688)	(372)	-	-	-	(147,317)	(147,317)	(151,346)
Depreciation charge / impairment	-	(24,700)	(895,098)	(267,860)	(62,258)	(3,369)	(506,874)	(46,382)	(346,423)	(899,679)	(2,152,964)
Net book value at December 31, 2023	**30,570**	**1,143,754**	**12,749,251**	**718,010**	**384,725**	**15,186**	**2,126,946**	**191,732**	**1,669,675**	**3,988,353**	**19,029,849**
At December 31, 2023											
Cost	30,570	1,787,733	24,445,151	3,164,932	866,285	34,009	4,034,903	440,161	2,570,275	7,045,339	37,374,019
Accumulated depreciation / impairment	-	(643,979)	(11,695,900)	(2,446,922)	(481,560)	(18,823)	(1,907,957)	(248,429)	(900,600)	(3,056,986)	(18,344,170)
Net book value at December 31, 2023	**30,570**	**1,143,754**	**12,749,251**	**718,010**	**384,725**	**15,186**	**2,126,946**	**191,732**	**1,669,675**	**3,988,353**	**19,029,849**
At January 1, 2024											
Cost	30,570	1,787,733	24,445,151	3,164,932	866,285	34,009	4,034,903	440,161	2,570,275	7,045,339	37,374,019
Accumulated Depreciation / impairment	-	(643,979)	(11,695,900)	(2,446,922)	(481,560)	(18,823)	(1,907,957)	(248,429)	(900,600)	(3,056,986)	(18,344,170)
Net book value at January 1, 2024	30,570	1,143,754	12,749,251	718,010	384,725	15,186	2,126,946	191,732	1,669,675	3,988,353	19,029,849
Year ended December 31, 2024											
Net book value at January 1, 2024	30,570	1,143,754	12,749,251	718,010	384,725	15,186	2,126,946	191,732	1,669,675	3,988,353	19,029,849
Additions	-	5,657	462,168	228,064	-	56,286	925,030	-	761,811	1,686,841	2,439,016
Transfer from CWIP	-	82,581	984,207	261,623	-	-	-	-	-	-	1,328,411
Disposals	-	-	(52,180)	(22)	(346)	(10,295)	(2,599)	-	(197,804)	(200,403)	(263,246)
Depreciation charge / impairment	-	(56,339)	(990,429)	(307,683)	(57,647)	(2,151)	(563,613)	(64,160)	(396,489)	(1,024,262)	(2,438,511)
Impairment reversal - note 17.3.1	-	193,478	-	-	-	-	-	-	-	-	193,478
Net book value at December 31, 2024	30,570	1,369,131	13,153,017	899,992	326,732	59,026	2,485,764	127,572	1,837,193	4,450,529	20,288,997
At December 31, 2024											
Cost	30,570	1,871,372	26,741,603	3,549,029	862,955	73,883	4,954,262	440,161	2,902,664	8,297,087	41,426,499
Accumulated depreciation / impairment	-	(502,241)	(13,588,586)	(2,649,037)	(536,223)	(14,857)	(2,468,498)	(312,589)	(1,065,471)	(3,846,558)	(21,137,502)
Net book value at December 31, 2024	30,570	1,369,131	13,153,017	899,992	326,732	59,026	2,485,764	127,572	1,837,193	4,450,529	20,288,997

For The Year Ended December 31, 2024

17.1.1 Particulars of immovable property (land and building) in the name of the Company are as follows:

Location	Total Area
Production Plants	
Jhelum	58.3 Acres
Akora	61.0 Acres
Warehouses	
Faujoon	163,970 Sq ft.
Shergarh	65,227 Sq ft.
Takht Bhai	54,593 Sq ft.
Umerzai	87,464 Sq ft.
Mianwali	878,694 Sq ft.
Okara	71,723 Sq ft.

17.2 Capital work in progress

	2024 Rs. '000	2023 Rs. '000
Carrying value at the beginning of the year	**2,641,929**	1,045,717
Additions during the year	**3,084,243**	2,431,467
	5,726,172	3,477,184
Transferred to operating fixed assets	**(1,328,411)**	(835,255)
Carrying value at the end of the year - note 17.2.1	**4,397,761**	2,641,929

17.2.1 Capital work in progress includes capital expenditure on projects relating to enhancement of already installed machinery.

17.3 Depreciation / impairment charge has been allocated as follows:

	2024	2023
Cost of sales	1,316,143	1,163,542
Raw material purchases and expenses - note - 17.3.1	188,236	347,616
Selling and distribution expenses	299,139	258,152
Administrative expenses	441,515	383,654
	2,245,033	2,152,964

17.3.1 During the reporting period, the Company reversed impairment amounting to Rs. 193,478 thousand. This reversal reflects the reintegration of a previously idle facility into operations. The facility is now actively utilized as part of the environmental excellence agenda, and it is being put to beneficial use in line with the Company's sustainability goals.

Notes to the Financial Statements

For The Year Ended December 31, 2024

17.4 Details of property, plant and equipment disposed off during the year, having book value of Rs. 500,000 or more are as follows:

	Cost	Book value	Sale proceeds less selling expenses	Gain/ (Loss) on Sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Plant & Machinery						
- by negotiation	100,203	91,122	91,122	-	BAT M.E DMCC., U.A.E	Associated Company
Vehicles						
- as per Company's policy	2,846	645	569	(76)	Zain Bakir	Assignee-Associated Co.
	3,483	789	695	(94)	Muhammad Ranjha	Executive
	3,658	1,268	1,022	(246)	S.Bilal Farhat	Assignee-Associated Co.
	3,547	709	708	(2)	Irfan Mirza	Ex-Executive
	3,547	1,088	1,703	615	Farhan Bashir	Assignee-Associated Co.
	3,483	1,161	1,066	(95)	Salman Shahid	Ex-Executive
	3,663	1,465	1,246	(219)	Jibran Khan	Executive
	3,733	2,240	1,938	(302)	Salman Rashid	Assignee-Associated Co.
	3,733	2,041	2,088	48	M. Attaullah Sidiqi	Assignee-Associated Co.
	3,733	2,041	1,740	(301)	Amna Aslam	Executive
	3,733	1,941	1,593	(349)	Fahd Masud	Executive
	3,733	2,240	1,822	(418)	Talha Mujeeb	Executive
	3,911	2,659	2,164	(495)	Neshay Aqeel	Assignee-Associated Co.
	4,057	1,515	1,192	(323)	Muhammad Ali	Executive
	4,137	1,931	1,876	(55)	Usman Jawed	Assignee-Associated Co.
	4,137	2,648	2,693	46	Ayesha Agha	Assignee-Associated Co.
	4,137	1,544	1,297	(247)	Bilal Munzar	Assignee-Associated Co.
	4,219	2,306	2,358	52	Maham Khan	Assignee-Associated Co.
	5,343	4,345	4,268	(78)	Mansoor Ahmed	Assignee-Associated Co.
	5,343	3,847	3,417	(429)	Haseeb Khan	Executive
	5,713	4,418	3,659	(759)	Muaz Moeen	Executive
	5,878	4,154	3,531	(623)	Rabia Abro	Assignee-Associated Co.
	6,143	4,668	4,147	(521)	Syed Hasham Ali	Assignee-Associated Co.
	6,630	5,215	4,993	(222)	Ahmer Rais Khan	Assignee-Associated Co.
	6,630	5,215	5,354	139	Waqas Abbasi	Executive
	6,960	6,403	6,313	(90)	Zain Bakir	Assignee-Associated Co.
	7,204	5,955	5,909	(46)	Sana Rehman	Assignee-Associated Co.
	7,204	6,243	5,183	(1,061)	Syed Qasim Ali	Assignee-Associated Co.
	7,640	6,316	4,462	(1,854)	Madeeha Chaudhry	Assignee-Associated Co.
	7,630	5,798	4,583	(1,216)	Umer Khan	Assignee-Associated Co.
	7,861	1,782	2,051	269	Hassan Khalid	Assignee-Associated Co.
	8,689	2,085	3,074	989	Waqas Manzoor	Assignee-Associated Co.
	8,690	7,994	8,225	230	Sarah Khan	Assignee-Associated Co.
	8,980	6,705	6,759	55	Rizwan Zafar	Assignee-Associated Co.
	9,000	3,240	3,327	87	Haroon Saleem	Assignee-Associated Co.
	25,000	15,667	17,000	1,333	Zubair Khan	Ex-Executive

For The Year Ended December 31, 2024

	Cost	Book value	Sale proceeds less selling expenses	Gain/ (Loss) on Sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Vehicles						
by Auction	1,134	559	1,555	996	Through bidding in auction	Auction agent
	2,639	528	4,000	3,472	Through bidding in auction	Auction agent
	2,639	528	3,765	3,237	Through bidding in auction	Auction agent
	2,646	529	3,930	3,401	Through bidding in auction	Auction agent
	2,646	529	3,725	3,196	Through bidding in auction	Auction agent
	2,646	529	3,740	3,211	Through bidding in auction	Auction agent
	2,646	529	4,060	3,531	Through bidding in auction	Auction agent
	2,646	529	4,050	3,521	Through bidding in auction	Auction agent
	2,646	529	4,080	3,551	Through bidding in auction	Auction agent
	2,646	529	3,890	3,361	Through bidding in auction	Auction agent
	2,646	529	4,270	3,741	Through bidding in auction	Auction agent
	2,646	529	3,720	3,191	Through bidding in auction	Auction agent
	2,646	529	4,060	3,531	Through bidding in auction	Auction agent
	2,646	529	4,060	3,531	Through bidding in auction	Auction agent
	2,646	529	3,490	2,961	Through bidding in auction	Auction agent
	2,646	529	4,265	3,736	Through bidding in auction	Auction agent
	2,646	529	3,915	3,386	Through bidding in auction	Auction agent
	2,646	529	4,215	3,686	Through bidding in auction	Auction agent
	2,646	529	3,650	3,121	Through bidding in auction	Auction agent
	2,646	529	3,465	2,936	Through bidding in auction	Auction agent
	2,646	529	3,750	3,221	Through bidding in auction	Auction agent
	2,646	529	3,650	3,121	Through bidding in auction	Auction agent
	2,646	529	3,900	3,371	Through bidding in auction	Auction agent
	2,646	529	3,650	3,121	Through bidding in auction	Auction agent
	2,689	538	4,130	3,592	Through bidding in auction	Auction agent
	2,689	538	4,035	3,497	Through bidding in auction	Auction agent
	2,895	579	4,655	4,076	Through bidding in auction	Auction agent
	2,895	579	3,955	3,376	Through bidding in auction	Auction agent
	3,107	704	4,865	4,161	Through bidding in auction	Auction agent
	3,483	1,068	5,600	4,532	Through bidding in auction	Auction agent
	3,483	697	4,270	3,573	Through bidding in auction	Auction agent
	3,547	709	5,000	4,291	Through bidding in auction	Auction agent
	3,733	2,090	5,850	3,760	Through bidding in auction	Auction agent
	4,328	866	4,800	3,934	Through bidding in auction	Auction agent
	5,343	3,918	5,365	1,447	Through bidding in auction	Auction agent
	5,343	4,416	7,200	2,784	Through bidding in auction	Auction agent
	5,432	1,086	7,915	6,829	Through bidding in auction	Auction agent
	7,200	5,472	5,650	178	Through bidding in auction	Auction agent
	7,204	6,436	6,860	424	Through bidding in auction	Auction agent
	8,689	2,896	12,100	9,204	Through bidding in auction	Auction agent
	8,980	7,902	8,255	353	Through bidding in auction	Auction agent
	8,980	7,543	7,880	337	Through bidding in auction	Auction agent
	11,700	2,340	18,700	16,360	Through bidding in auction	Auction agent
	12,100	2,420	7,415	4,995	Through bidding in auction	Auction agent

For The Year Ended December 31, 2024

	Cost	Book value	Sale proceeds less selling expenses	Gain/ (Loss) on Sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
- by insurance claim	2,646	529	3,850	3,321	EFU General Insurance Ltd.	Insurance agent
	2,646	529	4,400	3,871	EFU General Insurance Ltd.	Insurance agent
	3,658	1,561	4,400	2,839	EFU General Insurance Ltd.	Insurance agent
	3,663	1,514	5,210	3,696	EFU General Insurance Ltd.	Insurance agent

17.5 The Company controls certain property, plant & equipment that are not physically located at the entity's premises but remain under its ownership and operational control and appropriate safeguards, including maintenance and security measures have been implemented to ensure operational efficiency. The key details are as follows:

	Cost	Accumulated depreciation	Net book value	Nature of asset	Location
	Rs. '000	Rs. '000	Rs. '000		
Vehicles					
	3,483	(2,786)	697	Entitlement car	Lahore
	8,980	(2,155)	6,824	Entitlement car	Lahore
	4,160	(1,941)	2,218	Entitlement car	Lahore
	4,221	(1,970)	2,251	Entitlement car	Lahore
	4,417	(2,061)	2,356	Entitlement car	Lahore
	4,616	(1,539)	3,077	Entitlement car	Lahore
	5,343	(1,781)	3,562	Entitlement car	Lahore
	5,343	(1,781)	3,562	Entitlement car	Lahore
	4,415	(1,354)	3,061	Entitlement car	Lahore
	3,987	(1,223)	2,765	Entitlement car	Lahore
	3,987	(1,223)	2,765	Entitlement car	Lahore
	3,984	(1,169)	2,816	Entitlement car	Lahore
	5,343	(1,567)	3,775	Entitlement car	Lahore
	5,713	(1,523)	4,189	Entitlement car	Lahore
	6,756	(1,802)	4,954	Entitlement car	Lahore
	6,194	(1,652)	4,543	Entitlement car	Lahore
	19,178	(4,603)	14,575	Entitlement car	Lahore
	7,156	(1,527)	5,629	Entitlement car	Lahore
	8,887	(1,896)	6,991	Entitlement car	Lahore
	8,899	(1,780)	7,119	Entitlement car	Lahore
	8,887	(1,777)	7,110	Entitlement car	Lahore
	8,980	(1,796)	7,184	Entitlement car	Lahore
	7,204	(1,441)	5,763	Entitlement car	Lahore
	8,980	(1,796)	7,184	Entitlement car	Lahore
	18,098	(2,896)	15,202	Entitlement car	Lahore
	3,663	(2,442)	1,221	Entitlement car	Lahore
	4,137	(2,813)	1,324	Entitlement car	Lahore
	3,733	(2,140)	1,593	Entitlement car	Lahore

Notes to the Financial Statements

For The Year Ended December 31, 2024

18 Long term investment in subsidiary Company

This represents 500,001 (2023: 500,001) fully paid ordinary shares of Rs. 10 each in Phoenix (Private) Limited, a wholly owned subsidiary of the Company. The break up value of shares calculated by reference to net assets worked out to be Rs.10 per share (2023: Rs. 10 per share) based on financial statements for the year ended December 31, 2024.

Phoenix (Private) Limited is dormant Company and has not commenced commercial production. Investment in subsidiary has been made in accordance with the requirements under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

		2024 Rs. '000	2023 Rs. '000
19	**Long term deposits and prepayments**		
	Security deposits	**27,895**	42,395
		27,895	42,395
20	**Stock-in-trade**		
	Raw materials	**46,621,597**	42,440,805
	Raw materials in transit	**813,547**	872,044
	Work in process	**256,704**	360,320
	Finished goods	**1,718,694**	3,141,068
		49,410,542	46,814,237
	Provision for damaged / obsolete stocks - note 20.1	**(568,551)**	(141,936)
		48,841,991	46,672,301
20.1	**Movement in provision for damaged stocks is as follows:**		
	Balance as at January 1	**141,936**	129,298
	Provision for the year	**638,128**	199,435
	Written off during the year	**(211,513)**	(186,797)
	Balance as at December 31	**568,551**	141,936
21	**Stores and spares**		
	Stores and spares	**789,514**	710,952
	Provision for slow moving items - note 21.1	**(184,339)**	(79,963)
		605,175	630,989
21.1	**Movement in provision for slow moving items is as follows:**		
	Balance as at January 1	**79,963**	79,963
	Provision / (Reversal) during the year - note 9	**104,375**	-
	Balance as at December 31	**184,338**	79,963

22 Trade debts

These represent amounts receivable from Government entities of Rs. 3,364 thousand (2023: Rs. 6,022 thousand) and from third parties of Rs. nil (2023: Rs. 2,681,699 thousand).

Notes to the Financial Statements

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
23 Loans and advances		
Related parties:		
Advances to key management personnel for house rent and expenses - note 23.1	224	2,408
Others:		
Advances to executives for house rent and expenses	31,729	24,327
Advances to other parties	241,676	619,684
	273,629	646,419
23.1 The following advances were outstanding as at December 31:		
Uzair Qazi	224	408
Mir Faraz	-	2,000
	224	2,408

The maximum aggregate amount of advances to key management personnel outstanding at the end of any month during the year was Rs. 2,872 thousand (2023: Rs. 3,020 thousand).

These loans and advances are unsecured. Advances extended to key management personnel, executives and other employees are deducted from the individuals' monthly payroll as per Company's policy.

	2024 Rs. '000	2023 Rs. '000
24 Other receivables		
Related parties - unsecured:		
Due from associated companies - note 24.1	3,614,648	2,498,670
Due from subsidiary Company - note 24.1	20,021	20,021
Workers' profit participation fund - note 27.7	243,567	-
Staff pension fund - note 33	472,426	-
Staff pension fund - defined contribution	566	8,006
Management provident fund	424	54,225
Employees' provident fund	169	8,779
Others:		
Claims against suppliers	6,576	6,576
Cash margin with banks - imports	343,301	394,883
Others	69,663	172,269
	4,771,361	3,163,429

For The Year Ended December 31, 2024

24.1 Ageing analysis of the amounts due from associated companies comprises:

	Upto 1 month Rs. '000	1 to 6 months Rs. '000	More than 6 months Rs. '000	2024 Rs. '000	2023 Rs. '000
Associated companies:					
BAT M.E DMCC - UAE	2,358,075	14,024	395,225	**2,767,324**	2,047,973
BAT SAA Service (Private) Ltd. - Pakistan	138,913	-	121,085	**259,998**	118,400
BAT Nigeria Ltd - Nigeria	128,479	-	74,298	**202,777**	76,033
BAT (GLP) Limited - UK	27,156	104,015	-	**131,171**	51,931
BAT Saudia for Trading - Saudi Arabia	3,196	-	58,118	**61,314**	39,466
Nicoventures Trading Limited - UK	39,905	-	-	**39,905**	18,738
BAT (Investments) Ltd - UK	6,412	-	33,260	**39,672**	76,793
BAT Arabia for Trading - Saudi Arabia	3,484	-	29,912	**33,396**	-
BAT Japan Limited - Japan	28,308	-	-	**28,308**	3,370
BAT M.E Trading - UAE	18,173	-	-	**18,173**	-
BAT Exports Limited - UK	1,110	4,844	8,509	**14,463**	-
BAT South Africa S.A - South Africa	10,458	-	-	**10,458**	20,952
Ceylon Tobacco Co. Ltd - SriLanka	4,555	-	-	**4,555**	4,446
Fielder & Lundgren AB - Sweden	1,993	-	-	**1,993**	-
BAT Bangladesh Co. Limited - Bangladesh	-	-	1,141	**1,141**	1,153
Nico HK Limited - Hongkong	-	-	-	**-**	16,095
BAT Trieste S.P.A - Italy	-	-	-	**-**	14,256
HR Vatski Duhani D.D. - Croatia	-	-	-	**-**	4,171
BAT (Singapore) Pte Ltd - Singapore	-	-	-	**-**	2,692
Central Manufacturing Co. Ltd - Fiji Islands	-	-	-	**-**	1,631
BAT Marketing (S) Pte Ltd - Singapore	-	-	-	**-**	570
	2,770,217	122,883	721,548	**3,614,648**	2,498,670
Subsidiary Company:					
Phoenix (Pvt) Limited	-	-	20,021	**20,021**	20,021
Total	**2,770,217**	**122,883**	**741,569**	**3,634,669**	**2,518,691**

24.1.1 The maximum aggregate amount of receivable from related parties at the end of any month during the year was Rs. 3,634,669 thousand (2023: Rs. 2,518,691 thousand).

Notes to the Financial Statements

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
25	**Short term investments**		
	At fair value through profit or loss (FVTPL):		
	- Market treasury bills	-	14,557,699
25.1	The treasury bills are held for trading. Details of these are given below:		
	No. of instruments	-	1
	Maturity tenor	-	3 Months
	Year of origin	-	2023
	Effective interest rate	-	21%
	Original maturity	-	Jan 4, 2024
	Acquisition date	-	Dec 13, 2023
	Acquisition price	-	14,397,855
	Remaining matuiry	-	71 days
	Disposal date	-	Jan 4, 2024
26	**Cash and bank balances**		
	Deposit account - note 26.1	**3,834**	4,720
	Current accounts:		
	Local currency	**10,049,173**	15,892,319
	Foreign currency	**3,249,747**	2,041,856
		13,302,754	17,938,895
26.1	These are security deposits being kept in separate bank account.		
27	**Trade and other payables**		
	Related parties - unsecured:		
	Due to holding Company / associated companies - note 27.1	**2,955,570**	15,425,903
	Others:		
	Creditors	**12,410,582**	11,954,908
	Federal excise duty - note 27.2	**6,468,635**	4,357,304
	Sales tax	**4,159,117**	3,885,217
	Workers' welfare fund - note 27.6	**1,104,906**	1,103,156
	Workers' profit participation fund - note 27.7	-	1,232,556
	Other accrued liabilities	**527,637**	568,169
	Employee incentive schemes - note 27.4	**114,333**	90,847
	Employees' gratuity fund - note 33	**264,892**	263,159
	Staff pension fund - note 33	-	100,284
	Tobacco excise duty / tobacco development cess - note 27.3	**409,572**	141,731
	Security deposits - note 27.5	**3,834**	4,234
	Contract liability	**107,222**	2,890
		28,526,300	39,130,358

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
27.1 The amount due to holding Company / associated companies comprises:		
Holding Company:		
British American Tobacco p.l.c. - UK	**67,588**	799,003
Associated companies:		
BAT M.E DMCC - UAE - note 27.1.1	**805,452**	5,515,926
BAT Exports Limited - UK	**804,917**	784,119
BAT GLP Ltd - UK - note 27.1.1	**370,199**	5,434,646
Nicoventures Trading Ltd - UK	**304,744**	120,194
BAT Kuwait for Wholesale - Kuwait	**90,525**	183,579
BAT Saudia for Trading - Saudi Arabia - note 27.1.1	**75,864**	53,340
BAT (Investments) Ltd - UK	**67,077**	3,384
BAT Jordan Ltd - Jordan - note 27.1.1	**62,364**	62,980
BAT Souza Cruz Ltd - Brazil	**58,691**	50,513
BAT Asia Pacific Ltd - HongKong	**49,145**	50,190
BAT Gulf for Trading LLC - Qatar-note 27.1.1	**35,151**	15,137
BAT M.E SPC - Bahrain - note 27.1.1	**34,770**	45,691
BAT Korea Manufacturing - South Korea	**32,680**	3,436
BAT Singapore (Pte) Ltd - Singapore	**27,660**	86,729
BAT Australia Ltd - Australia	**21,999**	24,484
BAT Bangladesh Co. Limited - Bangladesh	**19,301**	7,371
BASS GSD Ltd. - UK	**10,804**	1,740,575
BAT Aspac Service centre BHD Sdn - Malaysia	**9,053**	-
BAT GSD (KL) SDN BHD - Malaysia	**4,479**	4,559
BAT Tutun Mamulleri - Turkey	**1,681**	986
PT Bentoel Prima - Indonesia	**728**	184,664
BAT Romania Investments Ltd - Romania	**559**	602
Tabacalera Hondurena S.A - Honduras	**139**	141
BAT South Africa SA. - South Africa	**-**	248,692
Fielder & Lundgren AB. - Sweden	**-**	3,986
BAT Middle East for Trading - UAE - note 27.1.1	**-**	976
	2,955,570	15,425,903

27.1.1 Rs. 1,802,891 thousand (2023: Rs. 1,338,848 thousand) relates to unsecured export advance.

Notes to the Financial Statements

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	2024 Rs. '000	2023 Rs. '000
27.2 Federal excise duty		
Balance as at January 1	**4,357,304**	6,291,182
Charged during the year	**179,481,016**	158,587,276
Payment to the Government during the year	**(177,369,685)**	(160,521,154)
Balance as at December 31	**6,468,635**	4,357,304
27.3 Tobacco excise duty / tobacco development cess:		
Balance as at January 1	**141,731**	146,337
Charge for the year	**934,424**	227,620
Payment / reversal during the year	**(666,583)**	(232,226)
Balance as at December 31	**409,572**	141,731

27.4 Employee incentive schemes

These represent liability for unvested portion of cash-settled share-based payment schemes available to certain employees. Such schemes require the Company to pay the intrinsic value of these share based payments to the employee at the vesting date.

	2024 Rs. '000	2023 Rs. '000
Restricted Share Plan (RSP) - note 27.4.1		
Balance as at January 1	**26,704**	32,519
Charge for the year	**32,499**	13,332
Share options exercised	**(15,822)**	(19,147)
Balance as at December 31	**43,381**	26,704
Deferred Share Bonus Scheme (DSBS) - note 27.4.2		
Balance as at January 1	**64,143**	80,149
Charge for the year	**49,055**	38,794
Share options exercised	**(42,246)**	(54,801)
Balance as at December 31	**70,952**	64,143
	114,333	90,847

27.4.1 Restricted Share Plan (RSP)

	Number of Options	
Outstanding as at January 1	**5,115**	4,692
Granted during the year	**6,429**	2,338
Exercised during the year	**(1,885)**	(1,915)
Outstanding as at December 31	**9,659**	5,115

There are no exercisable options as at 31st December, 2024.

For The Year Ended December 31, 2024

	2024	2023
	Number of Options	
27.4.2 Deferred Share Bonus Scheme (DSBS)		
Details of the options movement for cash-settled DSBS scheme during the year were as follows:		
Outstanding as at January 1	**13,916**	15,887
Granted during the year	**2,790**	4,710
Exercised during the year	**(5,033)**	(6,681)
Outstanding as at December 31	**11,673**	13,916

There are no exercisable options as at 31st December, 2024.

27.5 These represent amounts received as security deposits from dealers and suppliers, which are non-utilisable for the purpose of the business in accordance with their agreements. These security deposits are being held in a separate bank account.

	2024 Rs. '000	2023 Rs. '000
27.6 Movement in Workers' Welfare Fund is as follows:		
Balance as at January 1	**1,103,156**	708,849
Charged during the year	**1,104,906**	1,076,059
Prior year WWF reversal	**(181,974)**	-
Payment during the year	**(921,182)**	(681,752)
Balance as at December 31	**1,104,906**	1,103,156
27.7 Movement in Workers' Profit Participation Fund is as follows:		
Balance as at January 1	**1,232,556**	(154,608)
Allocation for the year	**2,450,579**	2,903,043
Interest expense on WPPF	**32,831**	-
Payments during the year	**(3,959,533)**	(1,515,879)
Balance as at December 31	**(243,567)**	1,232,556

28 Other liabilities

This relates to provisions for employee benefits, litigation and restructuring consequent to modernization of production processes. During the year, the Company has utilized amounts aggregating Rs. 612 million (2023: Rs. 711 million) and remaining charge in obligation is Rs. 1,264 million (reversed in 2023: Rs. 1,293 million).

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29 Short term running finance - secured

(a) Short term running finance

"Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 18,000 million (2023: Rs. 6,500 million), out of which the amount unavailed at the year end was Rs. 18,000 million (2023: Rs. 6,500 million). These facilities are secured by hypothecation of stock in trade and plant and machinery amounting to Rs. 20,002 million (2023: Rs. 7,222 million). The mark-up ranges between 13.40% and 22.54% (2023: 16.53% and 22.97%) per annum and is payable quarterly. The facilities are renewable on annual basis.

(b) Non-funded finance facilities

The Company also has non-funded financing facilities available with banks, which include facility to avail letter of credit and letter of guarantee. The aggregate facility of Rs. 22,500 million (2023: Rs. 18,500 million) and Rs. 1,650 million (2023: Rs. 1,650 million) is available for letter of credit and letter of guarantee respectively, out of which the facility availed at the year end is Rs. 5,240 million (2023: Rs. 8,898 million) and Rs. 1,230 million (2023: Rs. 1,020 million). The letter of credit and guarantee facility is secured by ranking hypothecation charge over stock-in-trade amounting to Rs. 1,833 million (2023: Rs. 1,333 million).

30 Lease liability

This represents lease agreements entered into with a leasing Company for vehicles and IFRS 16 leases. Total lease rentals due under various lease agreements aggregate to Rs. 3,881,394 thousand - short term Rs. 719,693 thousand and long term Rs. 3,161,701 thousand (December 31, 2023: Rs. 3,422,042 thousand - short term Rs. 852,765 thousand and long term Rs. 2,569,277 thousand) and are payable in equal monthly installments latest by December 2029. Taxes, repairs, replacement and insurance costs are to be borne by the Company. Financing rates of 11% to 23% (December 31, 2023: 11% to 23%) per annum have been used as discounting factor.

As per IFRS 16 all rental facilities of the Company with lease terms greater than one year have been capitalised as leased assets. When measuring the lease liabilities for leases that were capitalised during the year, the Company discounted lease payments using an estimated incremental borrowing rate and recorded lease obligation of Rs. 925,030 thousand (2023: Rs. 1,890,236 thousand) during the year.

The amount of future minimum lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2024 Rs. '000	2023 Rs. '000
Present value of minimum lease payments	**3,881,394**	3,422,042
Current maturity shown under current liabilities	**(719,693)**	(852,765)
	3,161,701	2,569,277
Future minimum lease payments		
Not later than one year	**1,069,671**	1,165,378
Later than one year	**7,214,473**	6,673,829
	8,284,144	7,839,207
Interest	**(4,402,750)**	(4,417,165)
Present value of minimum lease payments	**3,881,394**	3,422,042
Present value of minimum lease payments		
Not later than one year	**719,693**	852,765
Later than one year	**3,161,701**	2,569,277
	3,881,394	3,422,042

For The Year Ended December 31, 2024

31 Unpaid dividend

Unpaid dividend includes amount of Rs. nil (2023: Rs. 7,733,935 thousand), payable to British American Tobacco (Investments) Limited, parent Company.

32 Deferred income tax liability

	2024 Rs. '000	2023 Rs. '000
Deferred tax liability is in respect of:		
Accelerated tax depreciation	**2,900,694**	2,448,268
Leased assets	**226,667**	227,176
	3,127,361	2,675,444
Deferred tax asset is in respect of:		
Remeasurement loss arising on employees' retirement benefit	**(227,885)**	(385,988)
Provision for severance benefits	**(203,896)**	(163,151)
Provision for inventory	**(132,819)**	-
Provision for stock and stores	**(71,892)**	(31,186)
	2,490,869	2,095,119
The gross movement on deferred income tax account is as follows:		
At January 1	**2,095,119**	869,898
Charge for the year - statement of profit or loss - note 15	**237,647**	1,376,674
Charge/(Credit) for the year - statement of comprehensive income	**158,103**	(151,453)
At December 31	**2,490,869**	2,095,119

For The Year Ended December 31, 2024

33 Retirement benefits

Investments in all contributory funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for that purpose.

	2024 Rs. '000	2023 Rs. '000
Staff pension fund - note 24 & note 27	**(472,426)**	100,284
Employees' gratuity fund - note 27	**264,892**	263,159

The latest actuarial valuation of the defined benefit plans was conducted at December 31, 2024 using the projected unit credit method. Details of the defined benefit plans are:

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
(a) The amounts recognised in the statement of financial position:				
Present value of defined benefit obligations	**8,896,358**	7,244,549	**2,411,728**	1,936,281
Fair value of plan assets	**(9,368,784)**	(7,144,265)	**(2,146,836)**	(1,673,122)
Net asset / liability	**(472,426)**	100,284	**264,892**	263,159
(b) Movement in the (asset) / liability recognized in the statement of financial position is as follows:				
Balance as at January 1	**100,284**	122,112	**263,159**	272,269
Charge for the year - profit or loss	**45,194**	(4,441)	**134,571**	149,314
Employer's contribution during the year	**(168,245)**	(157,389)	**(177,105)**	(305,095)
Benefits paid by the Company	**-**	-	**-**	-
Remeasurement (gain)/loss recognized in Other Comprehensive Income (OCI) during the year	**(449,659)**	140,002	**44,267**	146,671
Balance as at December 31	**(472,426)**	100,284	**264,892**	263,159

For The Year Ended December 31, 2024

(c) The amounts recognised in the statement of profit or loss:

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the year end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	**2024 Rs. '000**	2023 Rs. '000
Current service cost	**41,774**	46,041	**122,317**	104,838
Interest cost	**1,124,316**	847,642	**307,646**	233,008
Expected return on plan assets	**(1,109,418)**	(822,514)	**(268,941)**	(196,765)
Net interest	**14,898**	25,128	**38,705**	36,243
Members' own contribution	**(11,478)**	(9,827)	**-**	-
Secondees' own contribution	**(15,508)**	(5,278)	**-**	-
Past service cost	**-**	(46,492)	**-**	46,098
Contribution by employer in respect of secondees	**15,508**	(14,013)	**(26,451)**	(37,865)
	45,194	(4,441)	**134,571**	149,314

(d) Re-measurements recognised in Other Comprehensive Income (OCI) during the year:

Actuarial loss / (gain) on obligation	**869,320**	785,286	**183,756**	237,568
Net return on plan assets over interest income	**(1,318,979)**	(645,284)	**(139,489)**	(90,897)
Total remeasurements loss / (gain) recognised in OCI	**(449,659)**	140,002	**44,267**	146,671

(e) Movement in the present value of defined benefit obligation:

Present value of defined benefit obligation at January 1	**7,244,549**	6,106,054	**1,936,282**	1,638,103
Current service cost	**41,774**	(451)	**122,317**	150,936
Interest cost	**1,124,316**	847,642	**307,646**	233,008
Actual benefits paid during the year	**(383,601)**	(493,982)	**(138,273)**	(323,334)
Remeasurements: Actuarial loss/(gain) on obligation	**869,320**	785,286	**183,756**	237,568
Present value of defined benefit obligation at December 31	**8,896,358**	7,244,549	**2,411,728**	1,936,281

Notes to the Financial Statements

For The Year Ended December 31, 2024

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	**2024 Rs. '000**	2023 Rs. '000
(f) Movement in the fair value of plan assets:				
Fair value of plan assets at January 1	**7,144,265**	5,983,942	**1,673,122**	1,365,834
Interest income	**1,109,418**	822,514	**268,941**	196,765
Contribution by employer in respect of members	**168,245**	157,389	**177,106**	305,095
Members' own contribution	**11,478**	14,013	**-**	-
Secondees' own contribution	**15,508**	9,827	**-**	-
Contribution by employer in respect of secondees	**(15,508)**	5,278	**26,451**	37,865
Actual benefits paid during the year	**(383,601)**	(493,982)	**(138,273)**	(323,334)
Return on plan assets, excluding amounts included in interest income	**1,318,979**	645,284	**139,489**	90,897
Fair value of plan assets at December 31	**9,368,784**	7,144,265	**2,146,836**	1,673,122
Actual return on plan assets	**2,220,574**	1,084,056	**535,549**	252,813

The Company expects to credit Rs 14 million for pension plan and charge Rs 150 million for gratuity plan for the year ending December 31, 2025.

	Defined benefit pension plan 2024 Rs. '000	2023 Rs. '000	Defined benefit gratuity plan 2024 Rs. '000	2023 Rs. '000
(g) The major categories of plan assets:				
Investment in listed equities	**2,466,812**	1,481,619	**614,980**	353,302
Investment in bonds	**6,665,325**	4,703,826	**1,505,158**	491,658
Cash and other assets	**236,647**	958,820	**26,698**	828,162
	9,368,784	7,144,265	**2,146,836**	1,673,122
(h) Significant actuarial assumptions at the statement of financial position date:				
Discount rate	**12.75%**	16.00%	**12.75%**	16.00%
Pension increase rate	**8.25%**	11.00%	**-**	-
Expected rate of increase in salary				
First year	**10.75%**	14.00%	**10.75%**	14.00%
Second year onwards	**10.75%**	14.00%	**10.75%**	14.00%

The mortality table used for post retirement mortality is Standard Table Mortality The "80" Series PMA 80 (C=2021) and PFA 80(C=2021) for males and females respectively but rated up 2 years.

Notes to the Financial Statements

For The Year Ended December 31, 2024

The discount rate is determined by considering underlying yield currently available on Pakistan Investment Bonds and high quality term finance certificates and expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

Salary increase assumption is based on the current general practice in the market.

(i) Sensitivity Analysis on significant actuarial assumptions

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the year end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	**2024 Rs. '000**	2023 Rs. '000
Discount rate	**(986,462)**	1,211,474	**(175,860)**	200,277
Salary increase	**86,784**	(80,091)	**208,073**	(185,415)
Increase in post retirement pension	**1,151,213**	(950,670)	-	-

If life expectancy increases by 1 year, the obligation of the pension fund increases by Rs 539,990 thousand (2023: 446,519 thousand).

Expected maturity profile

Following are the expected distribution and timing of benefits payments at the year end.

Weighted average duration of the PBO (Years)	11.09	10.73	7.77	7.83

Risks associated with defined benefit plan

Longevity Risk: The risk arises when the actual lifetime of retiree is longer than the estimate of future employee lifetime expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase Risk: The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than the expectations and impacts the liability accordingly.

Withdrawal Risk: The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Mortality Risk: The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Investment Risk: The risk of the investments underperforming and not being sufficient to meet the liabilities

Notes to the Financial Statements

For The Year Ended December 31, 2024

Historical Information

	Defined benefit pension plan (Rs.'000)		Defined benefit gratuity plan (Rs. '000)	
	Present value of defined benefit obligation	Net (Asset) / liability at the end of the year	Present value of defined benefit obligation	Net liability at the end of the year
2024	**8,896,358**	**(472,426)**	**2,411,728**	**264,892**
2023	7,244,549	100,284	1,936,281	263,159
2022	6,106,054	122,112	1,638,103	272,269
2021	5,707,806	(501,307)	1,691,179	219,441
2020	5,882,010	(316,026)	1,598,482	275,517

33.1 Salaries, wages and benefits as appearing in note 9, 10 and 11 include amounts in respect of the following:

	2024 Rs. '000	2023 Rs. '000
Defined contribution provident fund	**136,658**	112,855
Defined benefit pension fund	**45,194**	(4,441)
Defined contribution pension fund	**243,877**	190,956
Defined benefit gratuity fund	**134,571**	149,314
	560,300	448,684

33.2 Defined contribution plan

Details of the management and employees' provident funds are as follows:

		Un-audited	Un-audited
(a)	Size of the fund - total assets	**2,078,911**	1,757,069
	Cost of investments made	**1,748,026**	1,583,464
	Percentage of investments made	**84%**	90%
	Fair value of investments made	**2,024,068**	1,658,001

		2024		2023	
(b)	Breakup of investments at cost	Rs. '000	%age	Rs. '000	%age
	Treasury bills	**387,936**	19%	211,525	12%
	Pakistan investment bonds	**462,879**	22%	155,920	9%
	Investment plus deposit certificates	**319,250**	15%	319,250	18%
	Investment in savings account with bank	**67,603**	3%	455,754	26%
	Investment in securities	**207,141**	10%	296,162	17%
	Accrued interest	**303,217**	15%	144,853	8%
		1,748,026	84%	1,583,464	90%

For The Year Ended December 31, 2024

34 Share capital

34.1 Authorised share capital

2024 Number of Shares	2023 Number of Shares		2024 Rs. '000	2023 Rs. '000
300,000,000	300,000,000	Ordinary Shares of Rs 10 each	**3,000,000**	3,000,000

34.2 Issued, subscribed and paid-up capital

2024 Number of Shares	2023 Number of Shares		2024 Rs. '000	2023 Rs. '000
230,357,068	230,357,068	Issued for cash	**2,303,571**	2,303,571
25,136,724	25,136,724	bonus shares	**251,367**	251,367
255,493,792	255,493,792		**2,554,938**	2,554,938

British American Tobacco (Investments) Limited held 241,045,141 (2023: 241,045,141) ordinary shares at the year-end and 10,274 (2023:10,274) and 798,282 (2023:798,282) ordinary shares are held by the directors / other executives and associated Company or companies respectively.

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

35 Capital reserve - other reserve

This represents Information Technology related services received, exempted recharges and payment of royalty from other Associated Companies/Holding Company. As the Company and associated Companies have effective common control through ultimate beneficial shareholding, and exemption received was with the approval of the ultimate Parent Company, the forgone amount has been recognised in equity as capital reserve.

Movement during the year is detailed below:

	2024 Rs. '000	2023 Rs. '000
Balance as at January 1	**4,042,204**	-
Prior period liabilities rescinded		
- Royalty	**856,228**	-
- Information Technology related services received and exempted recharged	**1,258,050**	-
Information Technology related services received and exempted recharged	**2,767,019**	4,042,204
Balance as at December 31	**8,923,501**	4,042,204

For The Year Ended December 31, 2024

36 Contingencies and commitments

36.1 Contingencies

Claims and guarantees

	2024 Rs. '000	2023 Rs. '000
(i) Claims against the Company not acknowledged as debt - Note 36.1.1	**3,024**	3,024
(ii) Guarantees issued by banks on behalf of the Company	**1,229,900**	1,020,274
(iii) Post dated cheques to the Collector of Customs	**6,423,688**	6,423,688

36.1.1 Litigation

a) Employees' Old-Age Benefits Institution (EOBI) constituted under the Employees' Old-Age Benefits Act, 1976 ("the Act") requires contributions to be made by industries and establishments against workers employed by it. PTC has been making prompt contributions under the Act. PTC has contractual arrangements with Logistics Service Providers for the shipment of its raw material and finished goods. In the year 2015, the EOBI Jhelum issued a show cause notice dated March 4th, 2015, demanding payment of Rs. 3,024,000 against non-payment of contribution of 200 employees. These employees were in fact employees of five transport concerns with which PTC had contractual arrangements. PTC filed complaint against the said show cause before Adjudicating Authority – III, EOBI Islamabad and raised the objection that this liability is of the five transport concerns who are independent entities. The Adjudicating Authority however passed an order against PTC on February 14th, 2017, upholding the demand earlier raised by the EOBI Jhelum. PTC has filed an appeal in May 2017 against the order before the Board of Trustees EOBI Headquarter at Karachi which is pending adjudication. Said appeal was dismissed in January 2022, following which PTC challenged the demand from EOBI before the Islamabad High Court which issued a stay order in favour of PTC against coercive recovery by EOBI. This stay order is still intact.

The Company expects favourable outcome in this case and accordingly, no provision is recognised in the financial statements.

36.2 Commitments

(a) Letters of credit outstanding at December 31, 2024 were Rs. 5,239,845 thousand (2023: Rs. 8,897,592 thousand).

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37 FINANCIAL INSTRUMENTS - Fair values and risk management

37.1 Accounting classification and fair value

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

	Note	31 December 2024			Fair Value		
		Fair Value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		(----------------Rs. '000-----------)			(-----------Rs. '000----------)		
Financial assets measured at fair value							
Short-term investments	25	-	-	-	-	-	-
Financial assets not measured at fair value							
Deposits	19	-	27,895	27,895	-	-	-
Trade debts	22	-	3,364	3,364	-	-	-
Other receivables	24	-	4,054,209	4,054,209	-	-	-
Cash and bank balances	26	-	13,302,754	13,302,754	-	-	-
		-	17,388,222	17,388,222	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	27	-	(15,897,623)	(15,897,623)	-	-	-
Other liabilities	28	-	(2,741,079)	(2,741,079)	-	-	-
Lease liability	30	-	(3,881,394)	(3,881,394)	-	-	-
Unpaid dividend	31	-	(142,980)	(142,980)	-	-	-
Unclaimed dividend		-	(133,968)	(133,968)	-	-	-
		-	(22,797,044)	(22,797,044)	-	-	-

	Note	31 December 2023			Fair value		
		Fair Value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3
		(----------------Rs. '000-----------)			(-----------Rs. '000----------)		
Financial assets measured at fair value							
Short-term investments	25	14,557,699	-	14,557,699	-	14,557,699	-
Financial assets not measured at fair value							
Deposits	19	-	42,395	42,395	-	-	-
Trade debts	22	-	2,687,721	2,687,721	-	-	-
Other receivables	24	-	3,092,419	3,092,419	-	-	-
Cash and bank balances	26	-	17,938,895	17,938,895	-	-	-
		14,557,699	23,761,430	38,319,129	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	27	-	(27,953,214)	(27,953,214)	-	-	-
Other liabilities	28	-	(2,089,190)	(2,089,190)	-	-	-
Lease liability	30	-	(3,422,042)	(3,422,042)	-	-	-
Unpaid dividend	31	-	(8,141,160)	(8,141,160)	-	-	-
Unclaimed dividend		-	(105,081)	(105,081)	-	-	-
		-	(41,710,687)	(41,710,687)	-	-	-

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37.2 Financial risk management

The Company has exposure to the following risks from financial instruments:
- credit risk
- liquidity risk
- market risk

37.2.1 Financial risk management framework

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Risk management is carried out by the Treasury Committee (the Committee) under policies approved by the board of directors (the Board). The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

37.2.2 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade debts, other receivables, deposits with banks and investment in treasury bills issued by the Government of Pakistan. The carrying amount of financial assets represents the maximum credit exposure.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

Financial assets amounting to Rs. 17,388 million (2023: Rs. 38,319 million) do not include any amounts which are past due or impaired. The table below shows bank balances held with counterparties at the reporting date.

Counterparty	Rating		Rating	2024	2023
	Short term	Long term	Agency	Rs. '000	Rs. '000
Cash at bank:					
Standard Chartered Bank	A1+	AAA	PACRA	**4,164,155**	7,831,751
MCB Bank Ltd	A1+	AAA	PACRA	**4,065,485**	3,582,618
Deutsche Bank AG	A-1	A	S&P	**2,181,632**	4,472,797
Habib Bank Ltd	A-1+	AAA	VIS	**1,644,829**	748,766
MCB Islamic Bank	A1	A+	PACRA	**322,194**	320,622
Habib Metropolitan Bank Ltd	A1+	AA+	PACRA	**259,806**	228,984
Bank Alfalah Limited	A1+	AAA	PACRA	**253,070**	253,511
Soneri Bank Limited	A1+	AA-	PACRA	**206,001**	205,136
United Bank Limited	A-1+	AAA	VIS	**200,453**	500
Citibank N.A.	P-1	Aa3	Moody's	**3,500**	10,858
National Bank of Pakistan	A1+	AAA	PACRA	**1,629**	283,352
				13,302,754	17,938,895
Short term investments:					
Government of Pakistan		Caa2	Moody's	**-**	14,557,699
				13,302,754	32,496,594

	2024 Rs. '000	2023 Rs. '000
	Carrying amount	
Pakistan	**14,033,572**	33,254,470
United Kingdom	**225,211**	147,462
Asia & other	**3,129,439**	4,917,197
	17,388,222	38,319,129
As at 31 December 2024, the ageing of financial assets was as follows:		
Not due	**13,753,553**	38,184,800
1-30 days	**2,770,217**	81,623
31-90 days	**18,868**	24,629
90 days	**845,584**	28,077
	17,388,222	38,319,129

37.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking to the Company's reputation.
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of the netting arrangements:

	Carrying amount	Contractual cash flows		
		Total	12 months or less	1 to 5 years
31 December 2024	**(Rs. '000)**		**(Rs. '000)**	
Financial liabilities				
Trade and other payables	**15,897,623**	**(15,897,623)**	**(15,897,623)**	**-**
Other liabilities	**2,741,079**	**(2,741,079)**	**(2,741,079)**	**-**
Lease liability	**3,881,394**	**(3,881,394)**	**(719,693)**	**(3,161,701)**
Unpaid dividend	**142,980**	**(142,980)**	**(142,980)**	**-**
Unclaimed dividend	**133,968**	**(133,968)**	**(133,968)**	**-**
	22,797,044	**(22,797,044)**	**(19,635,343)**	**(3,161,701)**
31 December 2023				
Financial liabilities				
Trade and other payables	27,953,214	(27,953,214)	(27,953,214)	-
Other liabilities	2,089,190	(2,089,190)	(2,089,190)	-
Lease liability	3,422,042	(3,422,042)	(852,765)	(2,569,277)
Unpaid dividend	8,141,160	(8,141,160)	(8,141,160)	-
Unclaimed dividend	105,081	(105,081)	(105,081)	-
	41,710,687	**(41,710,687)**	**(39,141,410)**	**(2,569,277)**

Cash flows included in the maturity analysis are not expected to occur significantly earlier or at significantly different amounts.

For The Year Ended December 31, 2024

37.2.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding payments on account of import of goods and services. The currencies in which these transactions are primarily denominated are euro, sterling and US dollars.

The summary quantitative data about the Company's exposure to currency risk is as follows:

	31 December 2024			31 December 2023		
	Euro	Sterling	US dollars	Euro	Sterling	US dollars
Other receivables	**69,599**	**8,114,569**	**-**	-	1,302,121	10,191,468
Cash and bank balances	**-**	**-**	**11,673,990**	-	-	7,263,160
Trade and other payables	**(3,443,448)**	**(2,003,747)**	**(19,067,300)**	(2,835,094)	(6,435,608)	(32,964,306)
Net exposure	**(3,373,849)**	**6,110,822**	**(7,393,309)**	(2,835,094)	(5,133,487)	(15,509,678)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	Dec 2024	Dec 2023	Dec 2024	Dec 2023
Euro 1	**301.45**	303.21	**288.26**	310.54
Sterling 1	**356.10**	348.83	**348.64**	358.38
US dollar 1	**278.60**	280.37	**278.38**	281.13

A 10 percent strengthening (weakening) of the Rupee against euro, sterling and US dollar at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening Rs. '000	Weakening Rs. '000	Strengthening Rs. '000	Weakening Rs. '000
31 December 2024				
Euro 1	**97,254**	(97,254)	**69,050**	(69,050)
Sterling 1	**(213,046)**	213,046	**(151,262)**	151,262
US dollar 1	**205,811**	(205,811)	**146,126**	(146,126)
31 December 2023				
Euro	**88,042**	(88,042)	**62,510**	(62,510)
Sterling	**183,973**	(183,973)	**130,621**	(130,621)
US dollar	**436,016**	(436,016)	**309,571**	(309,571)

Interest rate risk

This represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to fair value interest rate risk as it does not hold any fixed rate instruments. The Company does not have any significant long-term interest-bearing financial assets or financial liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial liabilities include balances of Rs. 3,881,394 thousand (2023: Rs. 3,422,042 thousand) which are subject to interest rate risk. Applicable interest rates for these financial liabilities have been indicated in respective notes.

At statement of financial position date, if interest rates had been 1% higher/lower, with all other variables remain constant, profit for the year would have been Rs. 38.814 million (2023: Rs. 34.220 million) lower/ higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

38 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to Chief Executive, Executive Directors and executives are as follows:-

	Chief Executive		Executive Directors		Executives				Total	
					Key management Personnel		Other Executives			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Managerial remuneration	**174,383**	157,124	**52,717**	141,218	**272,781**	356,865	**1,328,275**	1,037,724	**1,828,156**	1,692,931
Corporate bonus	**54,245**	46,048	**60,693**	50,732	**158,637**	125,981	**462,603**	274,825	**736,178**	497,586
Leave fare assistance	**2,908**	1,927	**5,576**	9,558	**27,973**	13,623	**-**	-	**36,457**	25,108
Housing and utilities	**33,727**	24,999	**22,002**	18,977	**78,508**	70,481	**555,809**	413,567	**690,046**	528,024
Medical expenses	**-**	-	**3,200**	6,743	**8,948**	10,043	**102,331**	97,605	**114,479**	114,391
Post employment benefits	**3,486**	2,466	**16,004**	10,843	**47,398**	37,994	**397,089**	306,383	**463,977**	357,686
	268,749	232,564	**160,192**	238,071	**594,245**	614,987	**2,846,107**	2,130,104	**3,869,293**	3,215,726
Number of persons	**1**	1	**2**	2	**12**	11	**424**	359	**439**	373

38.1 The Company, in certain cases, also provides individuals with the use of Company accommodation, cars and household items, in accordance with their entitlements.

38.2 The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to nine (2023: nine) non-executive directors of the Company amounted to Rs. 15,319 thousand (2023: Rs. 14,376 thousand).

For The Year Ended December 31, 2024

39 Transactions with related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (2023: 94.34%) shares of the Company at the year end. 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, major shareholders, key management personnel, employee funds and the entities over which the directors are able to exercise significant influence. The amounts due from and due to these undertakings are shown under receivables and payables under note 24 and 27 and Free of cost services and exempted recharges as disclosed in note 35. The remuneration of the chief executive, directors, key management personnel and executives is given in note 38 to the financial statements. Transactions with employee funds and associated payable/receivable balances are provided in note 33 to the financial statements.

	2024 Rs. '000	2023 Rs. '000
Procurement of goods and services from:		
Holding Company	**(1,609,544)**	86,623
Associated companies	**1,814,210**	11,431,011
Sale of goods to:		
Associated companies	**7,642,494**	7,255,952
Dividend declared:		
Holding Company	**30,131,893**	7,713,765
Associated companies	**99,785**	25,545
Royalty charged by:		
Holding Company	**(770,845)**	-
Associated Company	**(85,383)**	-
Expenses reimbursed to:		
Holding Company	**-**	3,978
Associated companies	**61,335**	12,209
Expenses reimbursed by:		
Associated companies	**337,274**	2,265,691
Payment under employee incentive schemes:		
Key management personnel	**58,068**	73,948
Export of services		
Associated companies	**-**	376,128

Notes to the Financial Statements

For The Year Ended December 31, 2024

39.1 Following are the names of associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements and arrangements in place during the year. Names of associated companies, related parties and associated undertakings, incorporated outside Pakistan are included in note 39.2.

Associated companies / related parties and associated undertakings	Basis of relationship	Aggregate % of Shareholding
Pheonix (Private) Limited	Subsidiary	Nil
BAT SAA Services (Private) Limited	Common Directorship	Nil
Retirement benefit funds:		
Pension Funds	Post employment benefits	Nil
Provident Funds	Post employment benefits	Nil
Gratuity Funds	Post employment benefits	Nil
Zafar Mahmood	Director	0.000196%
Syed Ali Akbar	Director	0.000978%
Syed Muhammad Ali Abrar	Director	0.000978%
Syed Asad Ali Shah	Director	0.000196%
Nasir Mahmood Khan Khosa	Director	0.000025%
Wael Sabra	Director	0.000196%
Belinda Ross	Director	0.000196%
Asif Jooma	Director	0.000196%
Mohammad Riaz	Director	0.000196%
Lt. Gen. Najib Ullah Khan (R)	Director	0.000196%
Gary Tarrant	Director	0.000196%
Faisal Saif	Director	0.000196%
Sami Zaman	Key management personnel	Nil
Uzair Qazi	Key management personnel	Nil
Faiza Imtiaz	Key management personnel	Nil
Usman Azam	Key management personnel	Nil
Rodrigo Nunes	Key management personnel	Nil
Habib Aoun	Key management personnel	Nil
Zain Mughal	Key management personnel	Nil
Muhammad Ali	Key management personnel	Nil
Mustafa Sherdil	Key management personnel	Nil
Imad Ud-din Muhammad	Key management personnel	Nil
Bushra Rahman	Key management personnel	Nil
Mir Faraz	Key management personnel	Nil

Notes to the Financial Statements

For The Year Ended December 31, 2024

39.2 Following particulars relate to associated companies incorporated outside Pakistan with whom the Company had entered into transactions during the year or have arrangement / agreement in place.

Associated Company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
British American Tobacco p.l.c.	Ultimate Parent Company	0.00%	United Kingdom
BAT (Investments) Limited	Holding Company	94.34%	United Kingdom
BAT Rothmans International	Holding Company	0.31%	United Kingdom
BAT Exports Limited	Fellow Subsidiary	0.00%	United Kingdom
Ceylon Tobacco Company p.l.c.	Fellow Subsidiary	0.00%	Sri Lanka
British American Tobacco Myanmar Limited	Fellow Subsidiary	0.00%	Myanmar
British American Tobacco Argentina	Fellow Subsidiary	0.00%	Argentina
British American Tobacco Australia	Fellow Subsidiary	0.00%	Australia
BAT Bangladesh Company Limited	Fellow Subsidiary	0.00%	Bangladesh
Souza Cruz Ltd.	Fellow Subsidiary	0.00%	Brazil
BAT Switzerland SA	Fellow Subsidiary	0.00%	Swiztzerland
British American Tobacco Chile Operaciones SA	Fellow Subsidiary	0.00%	Chile
BAT Germany GmbH	Fellow Subsidiary	0.00%	Germany
BAT (Brands) Limited	Fellow Subsidiary	0.00%	United Kingdom
Benson & Hedges (Overseas) Limited	Fellow Subsidiary	0.00%	United Kingdom
BAT (Holdings) Limited	Fellow Subsidiary	0.00%	United Kingdom
BASS (GSD) Limited	Fellow Subsidiary	0.00%	United Kingdom
British American Tobacco (GLP) Limited	Fellow Subsidiary	0.00%	United Kingdom
Nicoventures Trading Ltd.	Fellow Subsidiary	0.00%	United Kingdom
British American Tobacco Asia Pacific Region Ltd.	Fellow Subsidiary	0.00%	Hong Kong
British American Tobacco Co. (HK) Ltd	Fellow Subsidiary	0.00%	Hong Kong
British American Tobacco GTR Ltd	Fellow Subsidiary	0.00%	Hong Kong
NICO HK Co. Ltd.	Fellow Subsidiary	0.00%	Hong Kong
Fielder & Lundgren AB	Fellow Subsidiary	0.00%	Sweden
BAT Pecsi Dohanygyar KFT	Fellow Subsidiary	0.00%	Hungary
British American Tobacco Kenya Ltd	Fellow Subsidiary	0.00%	Kenya
BAT Korea Ltd.	Fellow Subsidiary	0.00%	South Korea
BAT Korea Manufacturing Ltd.	Fellow Subsidiary	0.00%	South Korea
British American Tobacco Mexico SA de CV	Fellow Subsidiary	0.00%	Mexico
BAT AsPac Service Centre Sdn Bhd	Fellow Subsidiary	0.00%	Malaysia
BAT GSD (KL) Sdn Bhd.	Fellow Subsidiary	0.00%	Malaysia
BAT Nigeria Ltd.	Fellow Subsidiary	0.00%	Nigeria

For The Year Ended December 31, 2024

Associated Company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
BAT Marketing Nigeria Ltd.	Fellow Subsidiary	0.00%	Nigeria
British American Tobacco Niemeyer	Fellow Subsidiary	0.00%	Netherlands
British-American Tobacco Polska S.A	Fellow Subsidiary	0.00%	Poland
BAT Investment (Romania) SRL	Fellow Subsidiary	0.00%	Romania
BAT (Romania) Trading SRL.	Fellow Subsidiary	0.00%	Romania
BASS Europe SRL.	Fellow Subsidiary	0.00%	Romania
British-American Tobacco (Singapore) Pte Ltd	Fellow Subsidiary	0.00%	Singapore
BAT Marketing (Singapore) Pte Ltd.	Fellow Subsidiary	0.00%	Singapore
British American Tobacco Tutun Mamulleri	Fellow Subsidiary	0.00%	Turkey
TDR D.O.O	Fellow Subsidiary	0.00%	Croatia
HR Vatski Duhani D.D.	Fellow Subsidiary	0.00%	Croatia
West Indian Tobacco Co. Ltd.	Fellow Subsidiary	0.00%	Trinidad & Tobago
PJSC A/T B.A.T Prilucky Tobacco Co.	Fellow Subsidiary	0.00%	Ukraine
R J Reynolds Tobacco Company	Fellow Subsidiary	0.00%	United States
British American Tobacco South Africa (Pty) Ltd.	Fellow Subsidiary	0.00%	South Africa
British American Tobacco ME DMCC	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Middle East for Trading	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Saudia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
BAT Arabia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
BAT GCC DMCC	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Middle East DMCC	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Qatar LLC	Fellow Subsidiary	0.00%	Qatar
BAT Gulf for Trading LLC	Fellow Subsidiary	0.00%	Qatar
BAT Middle East S.P.C.	Fellow Subsidiary	0.00%	Bahrain
British American Tobacco Jordan	Fellow Subsidiary	0.00%	Jordan
BAT Egypt Ltd.	Fellow Subsidiary	0.00%	Egypt
Central Manufacturing Company Ltd.	Fellow Subsidiary	0.00%	Fiji
PT Bentoel International Investama	Fellow Subsidiary	0.00%	Indonesia
PT Bentoel International Prima	Fellow Subsidiary	0.00%	Indonesia
PT Export Leaf	Fellow Subsidiary	0.00%	Indonesia
British American Tobacco (Malaysia)	Fellow Subsidiary	0.00%	Malaysia
Tobacco Importers and Manufacturers	Fellow Subsidiary	0.00%	Malaysia

Notes to the Financial Statements

For The Year Ended December 31, 2024

Associated Company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
British American Tobacco Japan Ltd.	Fellow Subsidiary	0.00%	Japan
British American Tobacco (PNG) Ltd.	Fellow Subsidiary	0.00%	Papua New Guinea
British American Tobacco Vranje AD	Fellow Subsidiary	0.00%	Serbia
BAT Services Ltd., Taiwan Branch	Fellow Subsidiary	0.00%	Taiwan
Tabacalera Hondurena S.A.	Fellow Subsidiary	0.00%	Honduras
RAI Services Company	Fellow Subsidiary	0.00%	United States
Solomon Islands Tobacco Co. Ltd.	Fellow Subsidiary	0.00%	Solomon Islands
BAT Trieste S.p.A.	Fellow Subsidiary	0.00%	Italy
British American Tobacco (Cambodia)	Fellow Subsidiary	0.00%	Cambodia

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
40 Cash generated from operations		
Profit before taxation	**49,499,561**	50,012,456
Adjustment for non-cash items:		
- Depreciation / impairment	**2,245,033**	2,152,964
- Gain on disposal of property, plant and equipment	**(218,074)**	(106,142)
- Finance cost	**850,989**	617,945
- Finance income	**(6,325,660)**	(7,183,870)
- Foreign exchange loss	**423,549**	1,505,153
- Provision for stock-in-trade	**742,503**	199,435
- Provision for staff retirement benefit plans	**560,300**	448,684
- Information technology cost	**2,767,019**	3,545,883
	1,045,659	1,180,052
Changes in working capital:		
- Stock-in-trade	**(2,596,305)**	(21,966,416)
- Stores and spares	**(78,562)**	(69,943)
- Trade debts	**2,684,357**	(2,684,845)
- Loans and advances	**372,790**	186,376
- Short term prepayments	**(56,683)**	(80,755)
- Other receivables	**(1,205,357)**	537,511
- Trade and other payables	**(8,780,338)**	10,953,598
- Other liabilities	**651,889**	(2,003,791)
	(9,008,209)	(15,128,265)
Changes in long term deposits and prepayments	**14,500**	(18,791)
	41,551,511	36,045,452

Notes to the Financial Statements

For The Year Ended December 31, 2024

41 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at January 1, 2024	**8,246,241**	**3,422,042**	**-**	**11,668,283**
Changes from financing cash flows:				
Finance Lease payments	**-**	**(1,783,490)**	**-**	**(1,783,490)**
Additions during the year	**-**	**-**	**-**	**-**
Dividend paid	**(39,906,017)**	**-**	**-**	**(39,906,017)**
Total changes from financing cash flows	**(39,906,017)**	**(1,783,490)**	**-**	**(41,689,507)**
Other changes:				
New leases	**-**	**1,686,841**	**-**	**1,686,841**
Retirements	**-**	**(200,403)**	**-**	**(200,403)**
Export refinancing	**-**	**-**	**-**	**-**
Interest charge	**-**	**756,404**	**-**	**756,404**
Dividend declared	**31,936,724**	**-**	**-**	**31,936,724**
Total equity-related other changes	**-**	**-**	**-**	**-**
Balance at December 31, 2024	**276,948**	**3,881,394**	**-**	**4,158,342**

	Liabilities			
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at January 1, 2023	5,497,459	1,737,866	2,300,000	9,535,325
Changes from financing cash flows:	-	(1,478,826)	-	(1,478,826)
Additions during the year	-	-	-	-
Dividend paid	(5,427,019)	-	-	(5,427,019)
Total changes from financing cash flows	(5,427,019)	(1,478,826)	-	(6,905,845)
Other changes:				
New leases	-	2,846,195	-	2,846,195
Retirements	-	(147,317)	-	(147,317)
Export refinancing	-	-	(2,300,000)	(2,300,000)
Interest charge	-	464,124	-	464,124
Dividend declared	8,175,801	-	-	8,175,801
Total equity-related other changes	-	-	-	-
Balance at December 31, 2023	8,246,241	3,422,042	-	11,668,283

Notes to the Financial Statements

For The Year Ended December 31, 2024

42 Events after the reporting date
In respect of the period ended December 31, 2024 final dividend of Rs. nil (2023: Rs. nil) per share amounting to a total dividend of Rs. nil (2023: Rs. nil) has been proposed at the Board of Directors meeting held on February 28, 2025. These financial statements do not reflect this proposed dividend.

43 Corresponding figures
The following comparative figures have been reclassified in the current year. Impact of reclassification on the reported amounts has been disclosed below.

December 31, 2024	As previously reported	Reclassification	As reported now
		Rs '000	
Statement of profit or loss			
Other operating expenses			
Bank charges and fees	67,946	(67,946)	-
Foreign exchange loss	1,505,153	(1,505,153)	-
Income tax	17,573,847	(111,451)	17,462,396
Finance cost			
Bank charges and fees	-	67,946	67,946
Foreign exchange loss	-	1,505,153	1,505,153
Final / minimum tax	-	111,451	111,451

The purpose of these reclassifications was to improve presentation and facilitate comparison, with no impact on profitability, net assets or equity.

The above reclassifications are not material in the context of overall financial statements, therefore a third balance sheet has not been presented.

44 General

44.1 Date of authorization for issue
These financial statements have been authorised for circulation to the shareholders by the Board of Directors of the Company on February 28, 2025.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Consolidated Financial Statements

For The Year Ended December 31, 2024

Chairman's Review

Consolidated Accounts

2024 Performance

The year under review brought with it a blend of economic complexities and encouraging policy initiatives, shaping both industry performance and consumer patterns. In 2024, the country was recovering from the historic economic downturn of the previous year, with significant recovery in foreign exchange reserves surpassing $12 billion by year-end.

The unprecedented 200% Federal Excise Duty (FED) hike in FY 2022/23 spurred a rise in illicit trade from 37% to 54%, threatening the sustainability of the tax-compliant sector. To address these escalating challenges, the Government of Pakistan took a stabilising stance in the FY 2024/25 budget, maintaining FED levels while introducing adjustable duties on inputs such as Acetate Tow and Filter Rods. However, unintended consequences emerged, with increased smuggling of these inputs adding complexity to regulatory efforts.

Amid these industry headwinds, PTC demonstrated resilience, capturing a record market share of 80.1%. Strategic portfolio management and a stability in the FED framework by the Government enabled a 1.9% volume increase, translating into a gross turnover of Rs. 355.5 billion – an impressive 12.6% growth over last year. Consequently, as the leading contributor to the national exchequer, the Company's tax payments increased by 12.8%, reaching Rs. 258.5 billion. Despite cost pressures, profit after tax stood at Rs. 27.8 billion, with earnings per share at Rs. 108.74 – a modest 4.1% decline compared to the previous year.

Aligned with BAT Group's vision of Building a Smokeless World, PTC sustained its focus on innovation. VELO™ emerged as a key driver of growth in 2024, posting a remarkable 27% increase in volumes and solidifying its leadership within the modern nicotine segment in Pakistan.

Environment, Social and Governance (ESG) Agenda

Sustainability remained a cornerstone of PTC's operations in 2024, underscoring its position as a responsible corporate entity. Significant achievements in renewable energy, resource optimisation, and waste management further cemented the Company's leadership in sustainable business practices.

Key milestones included the attainment of the Integrated Work System (IWS) Phase 2 certification for operational facilities and a significant shift towards renewable energy sources, resulting in 41.6% of total energy consumption being derived from renewable fuels. The VELO™ factory achieved global recognition as the first BAT modern oral manufacturing site, fully powered by renewable energy. Additionally, PTC spearheaded the local purchase of I-RECs, advancing its Scope 2 decarbonisation strategy.
In waste management, PTC achieved a 99% recycling rate for solid waste and attained Alliance for Water Stewardship (AWS) Certification for its Akora Khattak and Jhelum factories. Notably, the Jhelum facility became the first multi-category AWS-certified site within the BAT Group, demonstrating leadership in both cigarette and oral nicotine production sustainability.

PTC also made a meaningful impact through community-focused initiatives. Over 4.2 million saplings were planted as part of our afforestation program, the largest private sector initiative of this kind in Pakistan. Our "Throw and Grow" campaign deployed 400,000 seedballs across the Margalla Hills with enthusiastic participation from over 10,000 volunteers. Healthcare outreach continued through 12 Mobile Doctor Units, which served 135,000 patients, and 26 water filtration plants, benefiting over 8 million people annually across nine districts.

Corporate Governance

PTC is steadfast in its commitment to exemplary corporate governance, which forms the backbone of its operations. Through rigorous policies and transparent practices, the Company ensures that its assets are protected and shareholder interests remain paramount. Adhering to the Sarbanes-Oxley Act (SOx), PTC has established a robust system of internal controls and financial reporting, which are periodically tested by external auditors (KPMG) to guarantee compliance and reliability.

Integrity remains a core value, with an unwavering zero-tolerance stance on misconduct. Mandatory trainings on the Standards of Business Conduct (SoBC) are conducted annually for all employees and directors of the Company. These trainings are both in-person and online, fostering a workplace culture deeply rooted in ethical compliance. To further promote transparency and accountability, the Company provides secure and confidential channels for employees and stakeholders to voice concerns or report any irregularities, ensuring that such concerns are addressed without fear of reprisal.

Business Sustainability

In line with its transformative vision, PTC accelerated its journey towards a Smokeless World. VELO™ continued to lead the modern oral

Chairman's Review

Consolidated Accounts

category, bolstered by progressive Government policies recognising reduced-risk products with differentiated tax treatments.

The Made in Pakistan initiative, now in its fifth year, reinforced PTC's role as a key manufacturing and export hub, contributing $36 million in foreign exchange earnings. The export portfolio expanded to include VELO™ shipments to markets such as Japan, France, and Peru, showcasing PTC's prowess in competing on a global scale.

Despite these advancements, the sustainability of the legitimate tobacco sector remains under threat due to the unchecked rise of illicit trade. With the illicit market share surging beyond half of total consumption, legal tax-paying businesses continue to face significant challenges. While the Track & Trace System (T&TS) was implemented to curb tax evasion, its impact remains limited due to enforcement gaps. Strengthening regulatory oversight and enforcement, and ensuring a level playing field, are critical to safeguarding industry sustainability and preserving employment associated with the formal sector.

Despite an increasingly turbulent external environment, the fundamentals of the tobacco and nicotine sector of Pakistan remain attractive, and the Board believes PTC is in a strong position to realise its potential. The growth of adult smokers seeking smokeless alternatives is a long-term sectoral trend. With the right regulatory approach, smoking rates could decline through greater acceptance of smokeless products. With our multi-category brand portfolio, PTC is well placed to capitalize on this consumer shift to smokeless products while continuing to manage the combustible cigarette business in a responsible manner.

I wish to express my sincere gratitude to the people and leadership of PTC for steering the Company to success through challenging times. PTC remains committed to developing a dynamic and diverse talent pool, equipping its people with the skills and confidence to lead this transformation. With resolute leadership and a clear vision, the Company continues to deliver sustainable growth, creating long-term value for its stakeholders while championing Tobacco Harm Reduction in Pakistan.

Zafar Mahmood
Chairman

Directors' Report

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The Directors present the Annual Report of Pakistan Tobacco Company Limited ("PTC/Company") along with the audited financial statements of the Company for the year ended December 31, 2024.

Macroeconomic Environment

The year under review was marked by a combination of challenges and positive developments, influencing both the business landscape and consumer purchasing power. Unlike 2023, when foreign exchange reserves hit a historic low, 2024 saw a steady recovery, with reserves reaching over $9 billion by end June and $12 billion by the year end. This improvement was primarily fueled by a sustained current account surplus on the back of strong remittance inflows, reduced currency market volatility, and a rise in foreign investment. Higher remittances, import compression and strong export earnings played a key role in stabilizing the economy.

Aligned with global trends and improving economic indicators, Pakistan's financial conditions saw notable progress. In December, the State Bank of Pakistan lowered the policy rate to 13.0%, marking an overall 900 bps reduction since the beginning of the year. Inflation also saw significant easing, steadily declining from 28.3% in January 2024 to 4.1% in December 2024. Additionally, year-to-date Consumer Price Index (CPI) inflation averaged 12.6%, highlighting a substantial easing in price pressures.

The Government remained committed to advancing macroeconomic reforms under the ongoing IMF program. The rupee's stability was supported by improvements in the current account, the IMF Stand-By Arrangement (SBA) of $3bn and the Extended Fund Facility of $7bn. In September 2024 Pakistan entered into an extended 3-year IMF Program which collectively contributed to a GDP growth rate of 2.4% for 2023/2024.

Industry Overview

Fiscal Environment

Cigarettes in Pakistan are subject to a two-tier specific Federal Excise Duty (FED) regime. Following an unprecedented 200% increase in Federal Excise Duty (FED) during the fiscal year 2022/23, illicit market share surged from 37% to 54%, severely impacting tax compliant tobacco manufacturers. Policy makers recognised the severity of this issue and the threat it posed to the sustainability of the tax compliant industry and Government tax revenues. In a bid to slow down the alarming trend of illicit growth, the Government of Pakistan decided to keep the excise rates unchanged in the Federal Budget 2024/25.

In the Federal Budget 2024/25, the Government of Pakistan introduced an adjustable FED on key inputs of cigarettes i.e. Acetate Tow and Filter Rods at Rs. 44,000 per KG and Rs. 80,000 per KG respectively. While this could be an effective measure to curtail the illicit sector at the input stage, the quantum of this advance FED has inadvertently caused illicit manufacturers to expand smuggling of acetate tow, thereby negatively impacting plans to expand the documented sector.

In the New Categories space, the Federal Budget 2024/25 introduced FED on Modern Oral products of PKR 1,200 per kg. This is reflective of the Government's recognition that nicotine pouches pose significantly less harm than traditional combustible cigarettes, fostering the growth of this emerging category. However, the FED regime for E-liquids was revised from a fixed PKR 10,000 per kg to the higher of PKR 10,000 per kg or 65% of retail price. This exorbitant tax increase on E-liquids resulted in a 180% increase in retail prices for PTC, placing 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.

Increase in Duties and Taxes, and the Need for Rigorous Enforcement

The exorbitant excise increase in FY 2022/23 has led to a notable rise in the illicit trade of cigarettes. This surge has been mirrored by a sharp increase in the prevalence of smuggled cigarette brands across the country, including rural areas. Cigarette brands continue to be sold openly without tax stamps and Graphical Health Warnings (GHW) at points of sale.

Research conducted by IPOR on Track & Trace Compliance in the tobacco industry revealed that out of the 413 brands being sold in the markets surveyed, only 19 were fully compliant with the Track and Trace regime. Of the remaining 394 brands, 286 were smuggled brands, implying that these were sold not only without tax stamps but also Graphical Health Warnings.

While authorities have introduced initiatives, such as the Track and Trace System (T&TS), to ensure sustainable tax revenues, consumer protection and also safeguarding the legitimate industry, effective enforcement remains elusive. Sporadic implementation at the point of sale suggests that non-compliant players continue to adapt swiftly to circumvent controls, as evidenced by the availability of tax-stamp free products and instances of counterfeit T&TS stamps detected. Furthermore, manufacturers in Azad Jammu and Kashmir (AJ&K) remain outside the ambit of the Track & Trace System (T&TS). Consequently, instead of effectively curbing illicit trade, T&TS has merely increased operating costs for compliant businesses while failing to drive industry-wide compliance. Without stricter enforcement, the system risks becoming an additional burden on legitimate manufacturers rather than a deterrent to tax evasion.

Regulatory Environment

In 2020, the Ministry of National Health Services, Regulations & Coordination exercised its authority under the Prohibition of Smoking and Protection of Non-Smokers' Health Ordinance 2002 to prohibit the advertisement, promotion, and sponsorship of tobacco products. While responsible businesses have complied, numerous local manufacturers continue to flout these regulations. Lax and inconsistent enforcement has further allowed non-compliant entities to gain an unfair market advantage. To uphold regulatory integrity and ensure a level playing field, the Government must implement strict and consistent enforcement measures across the sector.

Company Performance

Pakistan Tobacco Company Limited ("PTC/ Company") successfully navigated a challenging business landscape in 2024, demonstrating resilience amid economic headwinds, increasing illicit trade, and volatile market conditions. Despite these hurdles, the Company delivered strong volume growth of 1.9% compared to the previous year, supported by a stable Federal Excise Duty (FED) framework and the exceptional execution by its trade team.

This performance translated into a gross turnover of Rs. 355.5 billion, reflecting a 12.6% year-on-year increase, driven by tactical portfolio interventions. PTC further reinforced its market leadership in the legitimate segment, expanding its share by 0.1 percentage points to 80.1% in 2024.

As a key contributor to Pakistan's economy, PTC's tax contributions reached Rs. 258.5 billion, marking an increase of 12.8% as compared to last year, when its total tax contribution stood at Rs. 229.2 billion. The payments were on account of Federal Excise Duty, Sales Tax, Customs Duties, Corporate Income Tax, and other regulatory levies, underscoring the Company's role as a responsible corporate entity. However, cost of sales increased by 21.4%, fueled by inflationary impacts and a severe leaf crop shortage in 2023, driving an unprecedented surge in tobacco leaf prices, posing a major challenge to the Company's cost structure. The imposition of normal tax on exports further pressured profitability, raising the Company's effective tax rate to 43.9%.

Despite cost challenges, PTC remained focused on enhancing shareholders' value through efficiency-oriented initiatives. Key efforts included:

- Modernizing production to improve operational efficiency.
- Optimizing leaf crop yield to counter supply constraints.
- Strengthening trade and distribution strategies.
- Mitigating currency devaluation risks through forex management.

These measures enabled PTC to minimize profitability decline, reporting a profit after tax of Rs. 27.8 billion and an EPS of Rs. 108.74 per share, a modest 4.1% decrease vs. the same period last year (SPLY) despite significant cost pressures.

PTC remains committed to BAT Group's global vision of Building a Smokeless World, focusing on innovative product categories aimed at reducing the risk associated with smoking conventional cigarettes. The BAT Group significantly invests in Research & Development, allocating over $485 million in 2024 alone. Pakistan has emerged as a key market for reduced risk products, particularly in the Modern Oral category. PTC's flagship brand VELO™ witnessed an impressive 27% volume growth in 2024, reinforcing its position as a leading brand in Pakistan's evolving nicotine consumption landscape.

PTC's export initiative, "Made in Pakistan," has now completed its fifth year of full-scale operations. In 2024, the Company exported products worth

$36 million. PTC remains committed to leveraging its manufacturing expertise to increase exports, contributing to valuable foreign currency inflows for the country. As a testament to the Company's unwavering commitment to high quality standards, PTC augmented its exports portfolio to include VELO™ exports to Japan, France and Peru during the year, while it continues to explore further expansion opportunities in South America.

Beyond its commercial success, PTC remains deeply committed to sustainability and corporate social responsibility, continuing to operate one of Pakistan's largest private-sector afforestation programs, alongside multiple community welfare initiatives.

Since launching its flagship afforestation initiative in 1981, PTC has successfully planted and distributed over 160 million saplings free of cost, playing a crucial role in environmental conservation and climate resilience. PTC's Mobile Doctor Unit (MDU) program continues to make a tangible difference in underserved communities. In 2024 alone, the Company provided essential healthcare services to more than 130,000 patients through the MDU initiative, offering consultations, treatment, and medication to address both basic healthcare needs and preventive care.

Recognizing the urgent need for safe drinking water, PTC has established 26 water filtration plants nationwide. Each plant delivers 20,000 litres of clean water daily, significantly reducing waterborne illnesses and improving public health in vulnerable communities.

On the human capital front, PTC places its people at the heart of its success, fostering a diverse, inclusive, and high-performance work environment. The Company's relentless commitment to attracting, developing, and retaining top talent was recognised through multiple prestigious accolades, including the "Global Diversity, Equity & Inclusion Benchmarks Award", awarded by the Global Diversity, Equity & Inclusion Benchmarks Organization and the "Top Employer Award" by the Top Employers Institute, recognizing PTC's outstanding workplace culture and talent management practices.

Additionally, PTC's internal 'Your Voice Engagement' survey recorded significant improvements in the Sustainable Engagement Index, reflecting the Company's commitment to fostering a highly engaged workforce. These results underscore the strategic vision and leadership dedication in creating a workplace where employees feel empowered and valued.

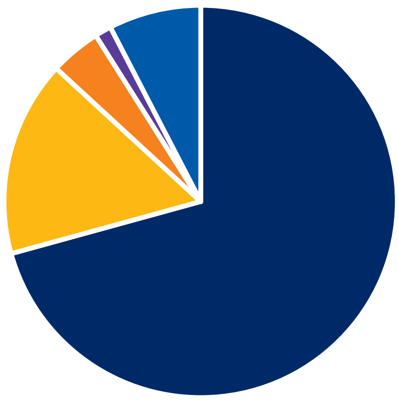
	Rs. (million)	
	FY2024	FY2023
Gross Turnover	355,507	315,844
FED & Sales Tax	234,429	205,912
Net Turnover	**121,078**	**109,933**
Cost of Sales	61,265	50,454
Gross Profit	**59,813**	**59,479**
Operating Profit	44,448	45,020
Profit Before Tax – PBT	49,500	50,012
Profit After Tax – PAT	**27,783**	**28,960**
Earnings Per Share – EPS (Rs.)	108.74	**113.35**

Profit & Loss Analysis

The Company contributed 72.7% of its gross turnover (Rs. 258.5 billion, up 12.8% vs SPLY) as tax revenue to the Government in lieu of various tax and duties, while retaining 7.8% of revenues for distribution amongst shareholders and reinvestment in the business. Cost of Sales and Net Operating Expenses accounted for 16.6% and 4.3% of gross turnover respectively.

Domestic gross turnover increased by 14.2% vs SPLY on account of effective sales and marketing strategies, targeted brand building activities and consumer relevant pricing strategy. The Company exported 1.3 billion cigarette sticks, 47 million oral nicotine pouches and 4.8 million kgs of unmanufactured tobacco during the year. This helped the Company post export revenue of $36 Mn during 2024.

Overall cost of sales increased by 21.4% while per unit cost increased considerably on account of the unprecedented increase in tobacco leaf prices procured during the 2023 season. These headwinds were mitigated through a combination of multiple productivity initiatives and focused cost management to optimize the overall cost base, leading to a structural cost decline of 3.3% vs. SPLY.



Contribution to Government,	72.7%
Profit for the Year,	7.8%
Net Finance Income,	-1.4%
Net Operating Expense,	4.3%
Cost of Sales,	16.6%

Net Finance Income increased by 1.2% in 2024, due to stability in exchange rates leading to a lower foreign exchange loss on outstanding liabilities. This was offset by lower finance income due to a reduction in surplus funds available for Treasury Bill investments, as well as gradual decline in policy rates from a peak of 22% in January 2024 to 13% by December 2024.

Statement of Financial Position Analysis

Property, plant and equipment increased by 13.9% in 2024, primarily driven by upgrades to existing infrastructure to support better product quality, innovation, higher operating efficiencies and to ensure compliance with regulatory requirements.

The increase of 4.6% in Stock in Trade is attributable to inflationary impact and inventory levels in line with sales projections.

Cash and cash equivalents declined by 59.1% compared to the same period last year (SPLY), driven by improved access to foreign currency in the banking system, which eased repatriation challenges. This enabled the Company to remit dividends to its majority shareholder, BAT, and settle vendor payables for shipments acquired under 365-day Letter of Credit (LC) payment terms. As a result, Current Liabilities also decreased by 31.8%.

Liquidity Management

PTC's Treasury function is responsible for managing financial resources of the Company including liquidity, funding and investments. The function aims to ensure that the Company has adequate financial resources to meet its operational and strategic obligations, while optimising returns on investment and mitigating the financial risks of the Company's operations. All treasury related activities are executed as per defined policies, procedures and counter party exposure limits which are reviewed and approved by the Board of Directors or by delegated authority to the Finance Director / Internal Treasury Committee.

Profit Distribution & Revenue Reserve Analysis

The Company started the year with distributable reserves of Rs. 44.7 billion. In 2024, the Company earned a net profit of Rs. 27.8 billion and declared four interim dividends amounting to Rs. 125 per share. The net reserves position of the Company at year end stands at Rs 40.3 billion. Details of appropriation are also elaborated in the table below:

	Rs. (million)	Rs. (per share)
Opening Reserves	44,718	
Net Profit 2024	27,783	108.74
Other Comprehensive Income	**247**	
Unappropriated Reserves	**72,748**	
Interim Dividends 2024	(31,937)	**125.00**
Closing Reserves	**40,812**	

Final Dividend

The Board of Directors of PTC in its meeting held on February 28, 2025, recommended a final cash dividend of Rs. 0/- per share for the year ended December 31, 2024 **(2023: 0 per share)** for the shareholders' approval. The Company has paid interim dividends of Rs. 30/share and Rs. 30/share in Q2, and Rs. 35/share and Rs. 30/share in Q3 2024, amounting to a total interim dividend of Rs. 125/share. The recommendation for final cash dividend is subject to approval of the shareholders in the Annual General Meeting, scheduled on April 24, 2025.

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Consolidated Financial Statements and Segmental Review

Consolidated financial statements, combine performance of Pakistan Tobacco Company Limited and its wholly owned subsidiary, Phoenix (Private) Limited. The subsidiary Company is dormant and has not commenced commercial operations.

Subsequent Events Review

Management has reviewed events occurring after the financial year-end up to the date of this report and confirms that no significant changes or commitments have impacted the Company's financial position during this period.

Operations Review

Pakistan Tobacco Company Limited ("PTC/ Company") operates a fully integrated seed-to-smoke business, comprising two state-of-the-art factories and one of the largest leaf operations within the BAT Group. Demonstrating a relentless commitment to operational excellence, PTC's factory operations have achieved IWS Phase 2 certification, enhancing productivity and efficiency across the entire value chain. Additionally, PTC's Green Leaf Threshing (GLT) facility is the first in the BAT Group to attain Phase 2 certification under the Integrated Work System (IWS) - a testament to its leadership in manufacturing excellence.

As part of its Tobacco Harm Reduction agenda, PTC operates a dedicated factory at its Jhelum site, manufacturing tobacco-free oral nicotine pouches. This facility is the first of its kind in the Asia Pacific and Middle East Region within BAT Group. Serving both domestic and international markets, it strengthens PTC's position as a strategic export hub.

During the year 2024, PTC initiated various projects continuing to focus its commitment to sustainability and green initiatives. These projects included Bio-mass boiler, AI integration with HVAC, 180 KW solar induction on Leaf Depots, and upgradation of Energy efficient Air-handling units (AHUs) reducing carbon emission and generating sustainable electricity for the Company.

PTC remains at the forefront of manufacturing excellence by exporting its technical expertise to other BAT entities worldwide. In 2024, the Company extended its leadership in IWS implementation beyond Sudan, South Africa and Nigeria, to include Zambia and South Korea. PTC continues to drive sustainable performance enhancements across the BAT Group by strengthening in-house technical proficiency, reducing dependence on Original Equipment Manufacturers (OEMs), and embedding best practices.

Environment, Social & Governance (ESG) Review

At the forefront of PTC's ESG agenda, factories of the Company situated in Akora Khattak and Jhelum have become champions of environmental stewardship. The installation of a revolutionary 5.3 MW on-site Solar Park, the largest across BAT Group, has not only reduced the Company's carbon footprint by 2,500 tons but also symbolizes the profound shift towards renewable energy.

Water, a finite resource, has become a cornerstone of the Company's conservation efforts. In the unwavering pursuit of excellence, PTC's operations now proudly hold Alliance Water Stewardship ("AWS") Certification, with Akora Khattak factory successfully navigating its surveillance audit and Jhelum Factory setting a precedent as the first multi-category (both for factory manufactured cigarettes and tobacco-free oral nicotine pouches) AWS certified Company in BAT Group. This not only fosters collaborative and transparent efforts for sustainable water management but also underscores the commitment to environmental sustainability.

As the world faces increasing resource constraints, PTC remains steadfast in its mission to minimize environmental impact. Sustainability is not just a corporate initiative - it is a commitment to shaping a more responsible future, inspiring positive change across industries, and ensuring a legacy of responsible stewardship for A Better Tomorrow™.

Marketing Review

As 2024 unfolded, PTC remained at the forefront of consumer-centric innovation and portfolio agility, navigating persistent affordability challenges. Despite market headwinds, strategic investments in portfolio optimization have strengthened resilience, fueling robust brand equity and market dominance. Our flagship brand, Capstan by Pall Mall, delivered an outstanding 20.7 billion sticks in sales, reaffirming its category leadership. Meanwhile, the Company accelerated premiumization strategies with the successful launch and scale-up of a new offering, reinforcing PTC's position as an industry trendsetter. PTC's relentless commitment to Brand Building and Route-to-Market Optimization has yielded record-breaking success, driving Duty-Paid market share to an all-time high of 80.1% (+0.1 pps vs SPLY), solidifying market leadership in the legitimate segment.

The Company's strategic focus on being a truly multi-category player has remained a core pillar of its approach. This was exemplified by the strong performance of VELO™, which saw a 27% increase in volumes in 2024 vs SPLY, while also establishing the world's largest active consumer base, with half a million consumers.

Risk Management & Internal Controls

The Board provides strategic oversight, ensuring a robust internal control system while proactively addressing operational risks. PTC's risk management and internal control framework is designed to protect shareholders' value and Company assets, prioritizing risk mitigation that could impact business objectives.

A structured Governance model, reinforced by clear policies and a strong culture of accountability, has fostered a resilient compliance environment. Department heads regularly evaluate globally defined key controls, with any non-compliance or control gaps promptly reported to the Governance Committee, along with corrective action plans.

The Company remains fully compliant with the Sarbanes-Oxley Act (SOx), underscoring its commitment to financial integrity and transparency. Furthermore, all employees are required to annually reaffirm their adherence to the Company's Standards of Business Conduct, ensuring a consistent culture of ethics, integrity, and compliance across the organisation.

Forward Looking Approach

As we look ahead, 2025 is set to bring another challenging year for the industry. However, with the strength of our people, the power of our brand portfolio, and our deep understanding of the local market, we are well-prepared to navigate and overcome obstacles. Beyond the broader macroeconomic pressures, we remain focused on addressing the unique challenges of the local tobacco sector, including high taxation and weak law enforcement. Staying true to our corporate strategy, the Company is committed to delivering strong business results by prioritizing key objectives for sustainable growth.

Drive Growth Agenda

The Company's strategic goal is to achieve enduring growth for its shareholders. Effective law enforcement plays a crucial role in ensuring the commercial viability of legitimate market participants and the sustainability of Government revenues. We will continue to engage with authorities to ensure full implementation of the T&TS, using this as a foundation to enhance the enforcement environment in Pakistan. The Company will prioritize regaining its consumer base leading to further growth in market share. Additionally, marketing investments will focus on strengthening the brand equity of the Company's portfolio among adult consumers across all operating segments.

This will be accomplished through product innovations designed to meet evolving consumer preferences, as well as by generating maximum brand awareness through innovative campaigns targeted at relevant and impactful consumer touchpoints. A consumer-centric approach will enable the Company to maintain a strong brand portfolio, positioning it to consistently outperform competitors and maintain market leadership. By executing this strategy, the Company will be well-positioned to sustain its leadership in the legitimate market segment and drive further share recovery within total industry.

Maintain Adequate Access to Foreign Currency

Despite replenishment of national foreign currency reserves on the back of the IMF programme and assistance from friendly countries, availability of foreign currency remains a challenge. It is critical for the Company's operations to ensure timely and independent settlement of its foreign currency obligations and disbursement of dividends to its shareholders.

The Government is expected to intervene to protect the interests of the manufacturing sector and encourage further foreign direct investment into the country by ensuring timely disbursement of profits to shareholders. Meanwhile, the Company will continue to accelerate its contribution to the economy by focusing on exports and bringing in much needed foreign currency into the local banking system, besides being one of the largest taxpayers in Pakistan.

Drive Effective Resource Allocation and Cost Management

The Company faces ongoing inflationary pressures, straining its cost base. However, the Management is committed to implementing effective measures to counteract these challenges and ensure optimum shareholder value creation.

The local currency is forecasted to remain weak, with minimal or no value appreciation. This is likely to result in an increase of the cost base, impacting our operating margins.

The Company will proactively adopt measures to alleviate the future impact of currency devaluation through timely settlement of supplier dues by leveraging its banking relationships in addition to an ongoing localization drive.

Drive Operating and Manufacturing Efficiencies

Our Company is strategically positioned to advance our operational and manufacturing efficiencies. We are committed to investing in state-of-the-art equipment and machinery upgrades. This will be achieved through investment in modern and upgraded equipment and machinery that not only delivers better efficiencies but is also capable of supporting future product innovations, necessary to maintain competitive advantage in the marketplace.

The Company is already geared to cater to any surge in market demand and remains dedicated to investing in machinery to comply with future regulatory requirements.

Furthermore, the operating infrastructure is continuously being upgraded with the best EH&S equipment, systems and processes to ensure a safe working environment for all employees.

Environment, Social & Governance (ESG)

ESG remains central to PTC's corporate strategy, underpinning its commitment to sustainable growth and responsible business practices. The Company continues to drive the transition towards reduced-risk products, minimizing the health impact of its business while actively investing in initiatives that uplift and empower the communities in which it operates. With a strong foundation in place, PTC is dedicated to expanding the scope of its ESG initiatives, reinforcing its leadership in sustainable and responsible corporate practices.

Invest in Human Capital

To sustain its competitive edge, the Company remains dedicated to strategic investments in its workforce, cultivating a diverse and exceptionally skilled talent pool poised to navigate forthcoming business challenges and create a culture of personalised lifelong learning. By fostering a culture of engagement and championing inclusive leadership, we tap into the collective power of our diverse team, unleashing their full potential to create a purposeful and energizing environment. This proactive approach guarantees that the Company not only adapts seamlessly to the ever-changing industry landscapes but also excels by leveraging the collective strengths of a dynamic and future-ready workforce.

With our strategic leadership agenda defining the pathway towards continuous D&I initiatives, competitive reward schemes, and a robust talent management strategy, the Company fortifies its position as an industry leader. We are leveraging digitalization and process simplification for a seamless and elevated employee experience to always remain ahead of the curve.

Corporate Governance

Compliance with Corporate Governance Requirements

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan's Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code of Corporate Governance") for the following:

Directors' Report

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a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
b) Proper books of accounts of the Company have been maintained.
c) Appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgement.
d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed and explained.
e) The system of internal controls is sound in design and has been effectively implemented & monitored.
f) There are no significant doubts about the Company's ability to continue as a going concern.
g) There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance and listing regulations.
h) All major Government levies in the normal course of business, payable as at December 31, 2024, have been disclosed in the notes to the financial statements.
i) Key operating and financial data for last six years in summarized form is provided separately in the Company's Annual Report.
j) Value of investments in employees' retirement funds for the year ended December 31, 2024, are as follows. Further details are provided in Note 33 to the financial statements.

	Rs. (million)
Staff Pension Fund	9,358
Employees Gratuity Fund	2,167
Management Provident Fund	1,343
Employees Provident Fund	706
Defined Contribution Pension Fund	2,020

Composition of the Board

The Board comprises a total of 12 directors: 4 are independent directors, 5 are non-executive directors and 3 are executive directors. The current composition of the Board is as below:

	No. of Directors
Male Directors	**11**
Female Directors	**1**
Independent Directors	**4**
Mr. Zafar Mahmood (Chairman)	
Lt. Gen. Najib Ullah Khan (R)	
Mr. Mohammad Riaz	
Mr. Asif Jooma	
Non- Executive Directors	**5**
Mr. Nasir Mahmood Khan Khosa	
Ms. Belinda Joy Ross	
Mr. Gary Tarrant	
Mr. Wael Sabra	
Mr. Faisal Saif	
Executive Directors	**3**
Syed Ali Akbar	
Syed Asad Ali Shah	
Syed Muhammad Ali Abrar	

There is female representation on the Board in compliance with the regulatory requirement.

The overall effectiveness of the Board is enhanced by the diversity and breadth of perspective and experience of its members. The members have sufficient financial acumen and knowledge through combination of their professional and academic skills, and local and international experience. PTC conforms to the regulatory requirements on the composition and qualification of the Board of Directors.

Directors' detailed profiles including their names, status (Independent, Executive, Non-Executive), in addition to industry experience and directorship of other companies, have been provided separately in the Annual Report. The status of directorship (Independent, Executive, Non-Executive) is also indicated in the Statement of Compliance with the Code of Corporate Governance.

Changes in the Board

The following changes took place on the Board:
i. Mr. Usman Zahur resigned w.e.f. 16-10-2024 and his casual vacancy was filled by Mr. Nasir Mahmood Khan Khosa w.e.f. 17-10-2024.

Meetings of the Board

Under the applicable regulatory framework, the Board is legally required to meet at least once in every quarter to ensure transparency, accountability, and monitoring of the Company's performance. Special meetings are also held during the year to discuss important matters, as and when required. In 2024, seven (7) Board meetings were convened, out of which the 1st meeting was held on 28th February 2024.

The notices, accompanied by agendas of the meetings were circulated in advance, in a timely manner and in compliance with applicable laws. All meetings of the Board held during the year surpassed the minimum quorum requirements of attendance, as prescribed by the applicable regulations. The Company Secretary acts as the Secretary to the Board. All decisions made by the Board during the meetings were clearly documented in the minutes of the meetings maintained by the Company Secretary and were duly circulated to all the Directors for endorsement and were approved in the subsequent Board meetings.

Members	Attendance
Mr. Zafar Mahmood Chairman	7/7
Syed Ali Akbar Managing Director and CEO	7/7
Syed Asad Ali Shah Director Legal and Corporate & Regulatory Affairs	5/7
Syed Muhammad Ali Abrar Director Finance & IT	7/7
Belinda Joy Ross Non-Executive Director	5/7
Mohammad Riaz Independent Director	7/7
Asif Jooma Independent Director	7/7
Wael Sabra Non-Executive Director	4/7
Usman Zahur Non-Executive Director (resigned w.e.f 16.10.2024)	3/7
Lt. Gen Najib Ullah Khan (R) Independent Director	7/7
Gary Tarrant Non-Executive Director	3/7
Faisal Saif Non-Executive Director	6/7
Nasir Mahmood Khan Khosa Non-Executive Director (joined w.e.f 17.10.2024)	2/7

Meetings Held Outside Pakistan

In 2024, PTC conducted all its Board Meetings within Pakistan.

Committees of the Board

The Board has four sub-committees which assist the Board in the performance of its functions, namely the Executive Committee, Audit Committee, Human Resources & Remuneration Committee and Share Transfer Committee. Details of all Board Committees, including attendance and their functions, are provided separately in the Company's Annual Report.

Directors' Remuneration

As per the requirements of the Code of Corporate Governance, there is a formal and transparent procedure in place for fixing the remuneration packages of individual Directors. No Director is involved in deciding his / her own remuneration.

These remuneration packages are approved as per requirements of the regulatory framework and internal procedures, while ensuring that they are not at a level that could be perceived to compromise the independence of the Independent and Non-Executive directors.

The remuneration of executive directors including the CEO, key management personnel and other executives is given in note 38 to the financial statements.

Evaluation of Board's Performance

The Company has designed an "Evaluation Tool" to assist the Board to:

- Understand and recognise what is working well,
- Identify areas for improvement,
- Discuss and agree on priorities for change, which can be addressed in the short and long term, and
- Agree on an action plan.

The Evaluation Tool comprises an evaluation questionnaire, which is circulated to all the Directors in which each Director must evaluate himself / herself as well as the Board. In order to encourage open and frank evaluations, as well as to ensure anonymity, the evaluation process is directed by the Company Secretary, who mails the questionnaire to each Director and then collates the results into a report including a summary of the results, and recommendations to the Board. The Report is then discussed in the next Board Meeting to address the areas of concern and improve the Board's performance.

Offices of the Chairman & CEO

To promote transparency and good governance, the offices of the Chairman of the Board of Directors and the Chief Executive Officer are held by separate individuals with clear segregation of roles and responsibilities.

Brief Roles & Responsibilities of the Chairman & CEO

Roles and responsibilities of the Chairman and the CEO have been clearly and distinctly defined by the Board. The Chairman is basically a leader and mediator to head the meeting of the Board of Directors effectively and take decisions after a free and open sharing of views in an efficient and effective manner. The Chairman is responsible for the overall discharge of the Board's duties.

The CEO is the executive head of the Company, who heads all facets of the Company and provides leadership towards the achievement of the Corporate Plan through effective delegation of powers to respective heads of functions, and management of the day-to-day operations of the Company. The CEO is responsible for leading, developing and executing the Company's short and long-term strategies with a view to enhance shareholders' value. The CEO liaises with the Board and communicates on behalf of the Management.

CEO's Performance Evaluation by the Board

The Board appoints the CEO for a term of 3 years, in compliance with applicable laws. His performance is reviewed annually based on the yearly corporate plan, besides his responsibilities under the regulatory framework.

Performance for the year 2024 is demonstrated by achievement of the corporate plan and compliance with the applicable regulatory requirements.

Formal Orientation at Induction

Newly inducted Board member is taken through an Induction Plan for his orientation and familiarization towards the Company's vision, organisational structure, roles and responsibilities of senior executives, major pending or threatened litigation, policies relating to dividends, whistleblowing, summary of Company's major assets, liabilities and noteworthy contracts etc. As part of the Induction Plan, senior executives of the Company present the performance of their respective department to the newly inducted Director.

Directors' Training Program

PTC has ensured compliance with the applicable regulatory requirements regarding Director's training. More than half of the Directors have obtained certification under Directors' Training Program (DTP) approved by SECP.

Last AGM

The Company's 77th Annual General Meeting (AGM) was held on April 24, 2024. All shareholders, including minority shareholders, were proactively sent out invites informing them about the time and place of the meeting, well in advance. High quality and comfortable arrangements, aimed at facilitating the shareholders of the Company, were made to conduct the AGM.

During the meeting, general clarifications on the published financial statements and the impact of illicit trade were sought by the shareholders and investors. No issues were reported in that meeting.

Auditors

Statutory Audit for the Company for the financial year ended December 31, 2024, has been concluded and the Auditors have issued their Audit Reports on the Company's Financial Statements, Consolidated Financial Statements and the Statement of Compliance with the Code of Corporate Governance. The Auditors, Messrs. KPMG Taseer Hadi & Co., shall retire at the conclusion of the Annual General Meeting, and they have indicated their willingness to continue as Auditors for PTC. They have confirmed to have achieved satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. The Board proposes their appointment as Auditors for the financial year ending December 31, 2025, on the recommendations of the Audit Committee. This shall be subject to the approval of the shareholders in their meeting scheduled for April 24, 2025.

Pattern of Shareholding

Our holding Company, British American Tobacco (Investments) Limited (BAT-IL), incorporated in United Kingdom holds 94.34% shares of the Company at the year end. The remaining shareholding is spread across associated Company, institutions and general public. The pattern of shareholding as at December 31, 2024, alongside the disclosure as required under Code of Corporate Governance is provided separately in this Annual Report.

Trading in Shares by Directors and Executives

The Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minors have reportedly not performed any trading in the shares of the Company.

Review of BCM

In 2024, Pakistan Tobacco Company Limited ("PTC/ Company") navigated a challenging business landscape shaped by global economic pressures, rising illicit trade, political instability, terrorism, inflation, and security threats. These factors underscored the need for strategic adaptability and robust risk management.

Security remained a critical enabler of business operations, driving investments in technology, process optimization, and resilience-building initiatives. PTC regularly reviewed and tested its Business Continuity Plans (BCP) across all operational sites to ensure seamless functionality amid disruptions. Additionally, refresher trainings on the BCM Dashboard were conducted to maintain real-time crisis readiness.

Aligned with international standards, PTC's BCM framework ensures:

- Proactive incident preparedness,
- Effective crisis response and management,
- Swift recovery to Business as Usual (BAU), minimizing disruptions.

PTC's leadership remains fully committed to BCM excellence. The CEO holds overall responsibility for compliance and execution, with operational management led by the Head of Security. Functional Continuity Managers oversee BCM within their domains, while the Risk and Resilience Manager facilitates Company-wide coordination. The Board conducts annual compliance reviews to ensure regulatory alignment and operational integrity.

By implementing a BCM process, the Company ensures that:

- Its people, assets and information are protected, and employees receive adequate support and communications in the event of a disruption,
- The relationships with other organisations, relevant regulators and Government departments, local authorities and the emergency services are properly developed and documented, and stakeholder requirements are understood and can be delivered, and
- The Company has an enhanced capacity to protect its reputation and remains compliant with its legal and regulatory obligations.

Syed Ali Akbar
MD & CEO

Zafar Mahmood
Chairman

Independent Auditors' Report

Opinion

We have audited the annexed consolidated financial statements of Pakistan Tobacco Company Limited (PTC) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, consolidated financial statement give a true and fair view of the consolidated financial position of the Group as of 31 December 2024, and (of) its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key Audit Matters	How the Matters Were Addressed in Our Audit
1. Revenue Recognition Refer notes 7.2 and 8 to the consolidated financial statements. The Group is engaged in the production and sale of tobacco products and VELO™. Due to increase in FED, the Group decided to discontinue the sale of VUSE™ from July 2024 onwards and recorded a write-off for the related inventory. For the year ended December 31, 2024, the Group recognised net turnover of Rs 121,078 million from the sales of cigarettes, tobacco, VELO™, and VUSE™. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. .	Our audit procedures in respect of recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation, and operating effectiveness of key internal controls over recording of revenue. • Comparing a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers. ' • Comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; and • Assessing the appropriateness of disclosures in the consolidated financial statements.

Key Audit Matters	How the Matters Were Addressed in Our Audit
2. Valuation of stock-in-trade Refer notes 7.13 and 19 to the consolidated financial statements. As at December 31, 2024, stock-in-trade is stated at Rs. 48,842 million. Stock-in-trade is measured at the lower of cost or net realizable value. We identified valuation of stock-in-trade as a key audit matter due to its size, representing 51.7% of total assets of the Group as at December 31, 2024, and the judgment involved in valuation.	Our audit procedures in respect of valuation of stock-in-trade, amongst others, included the following: • Assessing the design, implementation, and operating effectiveness of key internal controls over valuation of stock-in-trade including determination of net realizable values. • Attending inventory counts and reconciling the count results to the inventory listings. • Assessing the accuracy of cost of stock-in-trade in accordance with the accounting policy. • Assessing the net realizable value of stock-in-trade by comparing, on a sample basis, management's estimation of future selling prices for the products and selling prices achieved subsequent to the end of the reporting period; and • Comparing the net realizable value to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.

Independent Auditors' Report

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended December 31,2024 but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act. 2017 and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

Independent Auditors' Report

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ubbaid Ullah**.

KPMG Taseer Hadi

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 28 March 2025
UDIN: AR202410240x0s7gPv4j

Consolidated Statement of Profit and loss

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Gross Turnover	8	355,506,715	315,844,419
Excise duties		(179,481,016)	(158,587,276)
Sales tax		(54,947,896)	(47,324,275)
Net turnover		121,077,803	109,932,868
Cost of sales	9	(61,264,603)	(50,453,836)
Gross profit		59,813,200	59,479,032
Selling and distribution costs	10	(7,193,982)	(6,867,736)
Administrative expenses	11	(4,986,051)	(5,734,191)
Other operating expenses	12	(3,406,342)	(3,979,102)
Other income	13	221,614	2,121,627
		(15,364,761)	(14,459,402)
Operating profit		44,448,439	45,019,630
Finance income - gain on sale of T-bills		6,325,660	7,183,870
Finance cost	14	(1,274,538)	(2,191,044)
Net finance income		5,051,122	4,992,826
Profit before income tax and final / minimum taxes		49,499,561	50,012,456
Final / minimum tax expense	15	-	(111,451)
Profit before income tax		49,499,561	49,901,005
Income tax expense	15	(21,716,628)	(20,941,342)
Profit for the year		27,782,933	28,959,663
Earnings per share (basic and diluted) - (Rupees)	16	108.74	113.35

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Profit for the Year		**27,782,933**	28,959,663
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit pension and gratuity plans	**32**	**405,392**	(286,673)
- Tax (charge) / credit related to remeasurement gain / loss on defined benefit pension and gratuity plans	**15**	**(158,103)**	151,453
		247,289	(135,220)
Total comprehensive income for the year		**28,030,222**	(28,824,443)

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Consolidated Statement of Financial Position

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Non Current Assets			
Property, plant and equipment	17	24,711,806	21,696,826
Advance for capital expenditure		1,681,630	1,346,732
Long term deposits and prepayments	18	27,895	42,395
		26,421,331	23,085,953
Current Assets			
Stock-in-trade	19	48,841,991	46,672,301
Stores and spares	20	605,175	630,989
Trade debts	21	3,364	2,687,721
Loans and advances	22	273,629	646,419
Short term prepayments		277,399	220,716
Other receivables	23	4,751,340	3,143,408
Short term investments	24	-	14,557,699
Cash and bank balances	25	13,302,754	17,938,895
		68,055,652	86,498,148
Current Liabilities			
Trade and other payables	26	28,526,327	39,130,385
Other liabilities	27	2,741,079	2,089,190
Lease liability	29	719,693	852,765
Unpaid dividend	30	142,980	8,141,160
Unclaimed dividend		133,968	105,081
Current income tax liabilities		4,270,399	3,285,951
		36,534,446	53,604,532
Net current assets		31,521,206	32,893,616
Non current liabilities			
Lease liability	29	3,161,701	2,569,277
Deferred income tax liabilities	31	2,490,869	2,095,119
		5,652,570	4,664,396
Net assets		52,289,967	51,315,173
Share capital and reserves			
Share capital	33	2,554,938	2,554,938
Capital reserve	34	8,923,501	4,042,204
Revenue reserve - Unappropriated profits		40,811,528	44,718,031
		52,289,967	51,315,173
Contingencies and commitments	35		

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2024

	Share Capital	Capital Reserve - Other Reserve	Revenue Reserve - Unappropriated Profit	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at January 1, 2023	2,554,938	-	**24,069,389**	**26,624,327**
Total Comprehensive Income for the Year:				
Profit for the year	-	-	28,959,663	28,959,663
Other comprehensive income for the year	-	-	(135,220)	(135,220)
Total Comprehensive income for the year	**-**	**-**	**28,824,443**	**28,824,443**
Non reciprocal capital contribution/waiver of liabilities		4,042,204		4,042,204
Transactions with Owners of the Company:				
Interim dividend of Rs. 10 per share relating to the year ended December 31, 2023	-	-	(2,554,938)	(2,554,938)
Interim dividend of Rs. 22 per share relating to the year ended December 31, 2023	-	-	(5,620,863)	(5,620,863)
	-	-	(8,175,801)	(8,175,801)
Balance as at December 31, 2023	**2,554,938**	**4,042,204**	**44,718,031**	**51,315,173**
Balance as at January 1, 2024	**2,554,938**	**4,042,204**	**44,718,031**	**51,315,173**
Total comprehensive income for the year:				
Profit for the year	**-**	**-**	**27,782,933**	**27,782,933**
Other comprehensive income for the year	**-**	**-**	**247,289**	**247,289**
Total comprehensive income for the year	**-**	**-**	**28,030,222**	**28,030,222**
Non reciprocal capital contribution/waiver of liabilities	**-**	**4,881,297**	**-**	**4,881,297**
Transactions with owners of the Company:				
Interim dividend of Rs. 30 per share relating to the year ended December 31, 2024	**-**	**-**	**(7,664,814)**	**(7,664,814)**
Interim dividend of Rs. 30 per share relating to the year ended December 31, 2024	**-**	**-**	**(7,664,814)**	**(7,664,814)**
Interim dividend of Rs. 35 per share relating to the year ended December 31, 2024	**-**	**-**	**(8,942,283)**	**(8,942,283)**
Interim dividend of Rs. 30 per share relating to the year ended December 31, 2024	**-**	**-**	**(7,664,814)**	**(7,664,814)**
Total transactions with owners of the Company	**-**	**-**	**(31,936,725)**	**(31,936,725)**
Balance as at December 31, 2024	**2,554,938**	**8,923,501**	**40,811,528**	**52,289,967**

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Consolidated Statement of Cash Flows

For The Year Ended December 31, 2024

	Note	2024 Rs. '000	2023 Rs. '000
Cash Flows from Operating Activities			
Cash generated from operations	39	**41,551,511**	36,045,452
Finance cost paid		**(94,585)**	(208,133)
Income tax paid		**(20,494,533)**	(19,074,005)
Contribution to retirement benefit funds		**(1,102,389)**	(672,005)
Net cash generated from operating activities		**19,860,004**	16,091,309
Cash flows from investing activities			
Purchases of property, plant and equipment		**(3,836,418)**	(4,260,243)
Advance for capital expenditure		**(334,898)**	(814,626)
Proceeds from sale of property, plant and equipment		**481,320**	257,488
Interest received		**6,325,660**	7,027,604
Net cash generated from investing activities		**2,635,664**	2,210,223
Cash flows from financing activities			
Dividends paid		**(39,906,018)**	(5,427,019)
Lease payments		**(1,783,490)**	(1,478,826)
Repayment to export refinance facility		**-**	(2,300,000)
Net cash used in financing activities		**(41,689,508)**	(9,205,845)
Net (decrease) / increase in cash and cash equivalents		**(19,193,840)**	9,095,687
Cash and cash equivalents at beginning of the year		**32,496,594**	23,400,907
Cash and cash equivalents at end of the year		**13,302,754**	32,496,594
Cash and cash equivalents comprise:			
Cash and bank balances	25	**13,302,754**	17,938,895
Short term investments	24	**-**	14,557,699
		13,302,754	32,496,594

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

For The Year Ended December 31, 2024

1 Corporate and general information

The Group and its Operations

Pakistan Tobacco Company Limited (the Company) is a public limited Company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent Company is British American Tobacco p.l.c, United Kingdom. The principal activity of the Company is to manufacture and sell cigarettes, tobacco, VELO™ and VUSE™.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad, Pakistan. The Company has three manufacturing plants one located in Akora Khattak and two in Jhelum.

Phoenix (Private) Limited (PPL) is a private limited Company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of PPL is situated at Bin 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.

Capacity and Production

Against an estimated manufacturing capacity of 46,780 million cigarettes (2023: 51,800 million cigarettes) actual production was 29,262 million cigarettes (2023: 28,153 million cigarettes). For modern oral manufacturing capacity was 1,250 million pouches (2023: 1,097 million) and actual production was 778 million pouches (2023: 550 million). The split from each industrial unit is given below.

FMC	Manufacturing Capacity	
Site	**2024 (Units in Millions)**	**2023 (Units in Millions)**
Akora Khattak Factory	23,180	24,500
Jhelum Factory	23,600	27,300
Total	**46,780**	**51,800**

Modern Oral	Manufacturing Capacity	
Site	**2024 (Units in Millions)**	**2023 (Units in Millions)**
Jhelum Factory	**1,250**	1,097

FMC	Actual Production	
Site	**2024 (Units in Millions)**	**2023 (Units in Millions)**
Akora Khattak Factory	13,943	13,450
Jhelum Factory	15,319	14,703
Total	**29,262**	**28,153**

Modern Oral	Actual Production	
Site	**2024 (Units in Millions)**	**2023 (Units in Millions)**
Jhelum Factory	**778**	550

Actual production is less than the installed capacity due to market demand.

Number of employees

Total number of employees as at December 31, 2024 were 1,034 (2023: 1,011). Out of the total number of employees, the number of factory employees as at December 31, 2024 were 393 (2023: 395). Average number of employees during the year were 1,023 (2023: 1,026), whereas average factory employees during the year were 394 (2023: 395)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies notes including but not limited to:

- Defined benefit plans
- Leases
- Short-term investments

4 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency), which is the Pakistan rupee (Rs).

5 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised, prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Significant estimates

- Note 7.11 & 17 – useful lives, residual values and depreciation method of property, plant and equipment

- Note 32 – Retirement benefits

Other estimates

- Note 19 and 20 – Provision for obsolescence of stock in trade and stores and spares

- Notes 15 and 31 – Provision for income tax and calculation of deferred tax

- Note 36 – Financial instruments – fair values

- Note 35 – Contingencies

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then management assesses the evidence obtained from the third parties to support its conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. When measuring fair value of an asset or a liability, the Company uses observable and available market 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, which are observable and available 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 and available market data (unobservable inputs).

  If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review

- Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and

- how a Company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:
- the nature and financial impacts of the currency not being exchangeable;

- the spot exchange rate used;

- the estimation process; and

- risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025.

Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:

Disclosures:

- Financial Assets with ESG-Linked features: Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

For The Year Ended December 31, 2024

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

** The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

i. not related directly to a change in basic lending risks or costs; and

ii. are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognise its trade payable before the settlement date, potentially on the date when payment cannot be cancelled, when it uses an electronic payment system that meets all of the following criteria:

i. no practical ability to withdraw, stop or cancel the payment instruction;

ii. no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

iii. the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a Company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test).

**Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;

- **IFRS 7 Financial Instruments: Disclosures and its acCompanying Guidance on implementing IFRS 7;

- IFRS 9 Financial Instruments;

- IFRS 10 Consolidated Financial Statements; and

- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

  Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for derecognition of a lease liability under paragraph 23 of IFRS 9:

  When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

  The amendment on trade receivables may require some companies to change their accounting policy.

  The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

  The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

7 Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

- The Institute of Chartered Accountants of Pakistan issued a circular on May 15, 2024, withdrawing Technical Release 27 and releasing new guidance for accounting income taxes. The new guidance, "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes', clarifies that only taxes calculated based on 'taxable profit' are within the scope of IAS 12 "Income Taxes". In contrast, taxes under the minimum tax regime are considered 'levies' under IAS 37" Provisions, Contingent Liabilities and Contingent Assets" and IFRIC 21 "Levies". Levies and income taxes should be presented separately in the statement of profit or loss.

  As a result the Group has updated its accounting policy to classify and present taxes under the minimum tax regime as 'levies' instead of 'income tax'. The change has no significant impact on prior-year figures, so these figures have not been restated. Additionally, the change does not materially affect the amounts reported as of December 31, 2022, so the statement of financial position as of January 1, 2022, has not been included in the financial statements.

Material accounting policy Information of the Group is as follows:

Basis of Consolidation

7.1 These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary Company i.e., PPL, collectively called "the Group".

For The Year Ended December 31, 2024

Subsidiaries are all entities over which the Group has the control or shareholding of more than half of the voting rights.The Group controls an entity when it is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group. They are derecognised from the date the control ceases.

7.2 Revenue recognition

Net Revenue (net turnover) represents gross revenue net of indirect taxes. Gross revenue (gross turnover) is the the invoiced value for the sale of goods including indirect taxes net of rebates and discounts. Certain marketing costs are deducted from the gross amount of sales. Revenue from the sale of goods is recognised when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods. Revenue is recognised when specific criteria have been met for each of the Company's activities as described below.

Revenue from contracts with customers

Sale of goods

Sale of goods is recognised when the Group has transferred control of the products to the distributor and there is no unfulfilled obligation that could affect the distributor's acceptance of the products.

Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

A contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. When customer pays consideration before the transfer of goods, a contract liability is recognised. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Income on bank deposits

Income on bank deposits is accounted for on the time proportion basis using the applicable rate of return.

Income on short term investments

Short term investments, classified as financial assets at fair value through profit or loss, are re-measured to fair value at each reporting date until the assets are de-recognised. The gains and losses arising from changes in fair value are included in the statement of profit or loss in the period in which they occur.

Others

Scrap sales and miscellaneous receipts are recognised on realised amounts. All other income is recognised on accrual basis.

7.3 Levies

Any tax charged under the income tax laws which is not based on the taxable income is classified as levy in the Statement of profit or loss as these levies fall under the scope of IAS 37 'Provisions, Contingent liabilities and Contingent Assets'/ IFRIC 21 'Levies'.

7.4 Income tax

Income tax expense for the year comprises current and deferred income tax, and is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in the equity. In this case, income tax is also recognised in other comprehensive income or directly in equity, respectively.

For The Year Ended December 31, 2024

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred income tax is recognised, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

7.5 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognised for future operating losses. All provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

7.6 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

7.7 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised until their realization becomes certain.

7.8 Contingent liabilities

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognised, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognised in the financial statements.

7.9 Employee benefits

(a) Retirement benefit plans

The Group operates various retirement benefit schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations or up to the limit allowed as per the Income Tax Ordinance, 2001. The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate fund. The Group has no further legal or constructive obligation to pay contributions if the fund does not hold sufficient assets to pay all employees, the benefits relating to employees' service in the current and prior periods.

A defined benefit plan is a plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Group operates:

(i) Defined benefit, approved funded pension scheme for management and certain grades of business support officers and approved gratuity scheme for all employees. Employees also contribute to the pension scheme. The liability recognised in the balance sheet in respect of pension and gratuity schemes is the present value of the defined benefit obligation of the Company at the balance sheet date less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government bonds denominated in Pakistan rupee and have terms to maturity approximating to the terms of the related liability.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(ii) Approved contributory provident fund for all employees is administered by trustees and approved contributory pension fund for the new joiners. The contributions of the Company are recognised as employee benefit expense when they are due. Prepaid contributions, if any, are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(c) Medical benefits

The Group maintains a health insurance policy for its entitled employees and their dependents and pensioners and their spouses. The Group contributes premium to the policy annually. Such premium is recognised as an expense in the statement of profit or loss.

(d) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments and performance targets. The Group recognises a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

(e) Share-based payments

The Group has two cash-settled share-based compensation plans. Share options are granted to key management personnel which vest over a period of three years. A liability equal to the portion of the services received is recognised at its current fair value determined at each statement of financial position date.

Where applicable, the Group recognises the impact of revisions to original estimates in the statement of profit or loss, with a corresponding adjustment to current liabilities for cash-settled schemes.

(i) Restricted Share Plan (RSP)

Nil-cost option exercisable after three years from date of grant with a contractual life of ten years. Pay-out is subject to performance conditions based on earnings per share, operating cash flow, total shareholder return and net turnover of the British American Tobacco (BAT) group. Total shareholder return combines the share price and dividend performance of the BAT group by reference to one comparator group.

(ii) Deferred Share Bonus Scheme (DSBS)

Free ordinary shares released three years from date of grant and may be subject to forfeit if a participant leaves employment before the end of the three years holding period. Participants receive a separate payment equivalent to a proportion of the dividend payment during the holding period. Share options are granted in March each year.

7.10 Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below Rs 100,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

For The Year Ended December 31, 2024

7.11 Property, plant and equipment

Owned assets

These are stated at cost less accumulated depreciation and any accumulated impairment losses, except freehold land and capital work in progress which are stated at cost less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance expenses are recognised in the statement of profit or loss during the financial period in which they are incurred.

Free-hold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less residual value over their estimated useful lives at the following annual rates:

- Buildings on freehold and leasehold land 3%
- Plant and machinery 5%
- Air conditioners (included in plant and machinery) 20%
- Office and household equipment 20% to 33.3%
- Furniture and fittings 10% to 20%
- Vehicles – owned and leased 16%

Depreciation on additions and deletions during the year is charged on a pro rata basis from the month when the asset is put into use or up to the month when asset is disposed/ written off.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposals of operating fixed assets are recognised in the statement of profit or loss.

Right of use assets

Right of use asset is calculated as the initial amount of the lease liability in terms of property rentals and vehicle rentals at the lease contract commencement date. The right of use asset is subsequently depreciated using the straight-line method for a period of lesser of useful life or actual lease term.

7.12 Impairment of non-financial asset

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

7.13 Stock in trade

Stock-in-trade is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in process comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less cost of completion and costs necessary to be incurred to make the sale.

7.14 Stores and spares

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average. Items in transit are valued at cost comprising invoice value and other related charges incurred up to the statement of financial position date. For items which are slow moving, adequate impairment is recognised. The Company reviews the carrying number of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

7.15 Financial Instruments

Financial assets

i. Recognition and de-recognition

The Group initially recognises financial assets on the date when they are originated. Financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ii. Classification

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL)

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

(a) Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

iii. Subsequent measurement

Financial assets at FVTPL

Measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

Measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

iv. De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

v. Impairment of financial assets

The Group recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Group measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assessed whether the financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

For The Year Ended December 31, 2024

7.16 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividend is approved by the Group's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

7.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and highly liquid investments with less than three months maturity from the date of acquisition. Short term finance facilities availed by the Company, which are repayable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents in the statement of cash flows. Cash equivalents are short term highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

7.18 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the statement of profit of loss.

7.19 Fair value measurement

'Fair value' is the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities (See Note 5). When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

7.20 Operating segments

The Board of Directors of the Group, which is chief operating decision-maker, is responsible for allocating resources and assessing Group's performance and operations has identified one reportable segment. Accordingly, these financial statements have been prepared on the basis of single reportable segment. Revenue from external customers along with local and export sales is disclosed in note 8. Revenue from transaction with a single customer did not exceed 10% of Group's total revenue. All the assets of the Group are based in Pakistan.

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
8. Gross Turnover		
- Domestic	**345,475,397**	302,489,188
- Export	**10,031,318**	13,355,231
	355,506,715	315,844,419

Revenue recognised during the year that was included in the contract liability balance at the beginning of year is Rs. 2,890 thousand (2023: Rs. 715,884 thousand).

	2024 Rs. '000	2023 Rs. '000
9. Cost of sales		
Raw material consumed		
Opening stock of raw materials and work in process	**43,673,170**	21,904,030
Raw material purchases and expenses - note 9.1	**50,601,938**	64,659,554
Closing stock of raw materials and work in process	**(47,691,848)**	(43,673,170)
	46,583,260	42,890,414
Government taxes and levies		
Customs duty and surcharges	**1,182,183**	1,860,394
Provincial and municipal taxes and other duties	**1,142,649**	351,900
	2,324,832	2,212,294
	48,908,092	45,102,708
Provision for severance benefits	**253,182**	(2,124,849)
Production overheads		
Salaries, wages and benefits	**3,873,700**	3,042,939
Stores, spares and machine repairs	**2,288,706**	1,483,362
Fuel and power	**1,692,260**	975,042
Insurance	**112,261**	94,825
Repairs and maintenance	**647,272**	502,882
Postage, telephone and stationery	**27,674**	12,292
Information technology	**62,893**	56,411
Depreciation - note 17.3	**1,316,143**	1,163,542
Provision for damaged stocks / stock written off	**414,446**	134,176
Provision for slow moving items / stores written off	**104,375**	-
Sundries	**141,225**	20,986
	10,680,955	7,486,457
Cost of goods manufactured	**59,842,229**	50,464,316
Cost of finished goods		
Opening stock	**3,141,068**	3,130,588
Closing stock	**(1,718,694)**	(3,141,068)
	1,422,374	(10,480)
Cost of sales	**61,264,603**	50,453,836

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
9.1	**Raw material purchases and expenses:**		
	Materials	**45,600,844**	59,313,458
	Salaries, wages and benefits	**1,816,937**	1,839,276
	Stores, spares and machine repairs	**534,465**	997,556
	Fuel and power	**712,673**	721,828
	Property rentals	**4,801**	33,641
	Insurance	**35,611**	22,312
	Repairs and maintenance	**572,683**	315,655
	Postage, telephone and stationery	**94,397**	21,603
	Depreciation / impairment - note 9.1.1 & 17.3	**188,236**	347,616
	Sundries	**1,041,291**	1,046,609
		50,601,938	64,659,554

9.1.1 During the period, the Company reversed impairment amounting to Rs. 193,478 thousand. This reversal reflects the reintegration of a previously idle facility into our operations. The facility is now actively utilized as part of our environment excellence agenda, and it is being put to beneficial use in line with our sustainability goals.

		2024 Rs. '000	2023 Rs. '000
10	**Selling and distribution costs**		
	Salaries, wages and benefits	**1,578,960**	1,304,098
	Selling expenses	**4,671,993**	4,763,294
	Freight	**199,049**	170,647
	Repairs and maintenance	**38,350**	95,088
	Postage, telephone and stationery	**8,126**	31,447
	Travelling	**108,844**	135,414
	Property rentals	**25,515**	12,778
	Insurance	**40,323**	31,559
	Provision for damaged stocks / stock written off	**28,960**	55,451
	Finished goods / wrapping material stock written off	**194,723**	9,808
	Depreciation / impairment - note 10.1 & 17.3	**299,139**	258,152
		7,193,982	6,867,736

10.1 This includes impairment on property, plant & equipment amounting to Rs. 418 thousand (2023: Rs. 58 thousand).

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
11	**Administrative expenses**		
	Salaries, wages and benefits	**1,488,421**	1,305,636
	Fuel and power	**18,177**	11,907
	Insurance	**13,953**	13,245
	Repairs and maintenance	**62,736**	70,782
	Postage, telephone and stationery	**12,181**	21,389
	Legal and professional charges	**127,445**	128,062
	Donations - note 11.2	**600**	-
	Information technology	**2,611,223**	3,638,663
	Travelling	**161,102**	105,450
	Depreciation / impairment - note 11.1 & 17.3	**441,515**	383,654
	Auditor's remuneration and expenses - note 11.3	**25,753**	19,340
	Sundries	**22,945**	36,063
		4,986,051	5,734,191

11.1 This includes impairment on property, plant & equipment amounting to Rs. 73 thousand (2023: Rs. 200 thousand).

11.2 There were no donations in which the directors, or their spouses, had any interest.

		2024 Rs. '000	2023 Rs. '000
11.3	Auditor's remuneration and expenses include:		
	- Statutory audit fee	**4,097**	3,278
	- Group reporting, review of half yearly accounts, audit of consolidated accounts, audit of staff retirement benefit funds and other certifications and review of Statement of Compliance with Code of Corporate Governance	**19,835**	14,625
	- Out-of-pocket expenses	**1,821**	1,437
		25,753	19,340
12	**Other operating expenses**		
	Workers' Profit Participation Fund - note 26.7	**2,483,410**	2,903,043
	Workers' Welfare Fund - note 26.6	**922,932**	1,076,059
		3,406,342	3,979,102
13	**Other income**		
	Income from services rendered to associated companies:		
	- BAT Middle East DMCC - UAE	**-**	376,128
	Reimbursement of expenses by associated companies:		
	- BAT Middle East DMCC - UAE	**-**	1,634,274
	Gain on disposal of property, plant and equipment	**218,074**	106,142
	Miscellaneous	**3,540**	5,083
		221,614	2,121,627

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
14	**Finance cost**		
	Interest expense on		
	- Bank borrowings	**5,102**	153,821
	- Lease liability	**756,404**	464,124
	Bank charges and fees	**89,483**	67,946
	Foreign exchange loss - net	**423,549**	1,505,153
		1,274,538	2,191,044
15	**Tax expense**		
	Final / minimum tax	**-**	111,451
	Income tax - note 15.1		
	Current:		
	For the year	**21,207,189**	17,462,296
	For prior years	**271,792**	2,102,372
		21,478,981	19,564,668
	Deferred	**237,647**	1,376,674
		21,716,628	20,941,342

15.1 Income tax, amounting to Rs. 21,716,628 thousand (2023: Rs. 20,941,342 thousand) represents tax liability calculated under relevant provisions of the Income Tax Ordinance 2001, in line with the requirements of IAS 12.

15.2 Current tax increase in 2024 is due to withdrawal of export rebate, however was offset against additional super tax levied in 2023 on prior year and deferred tax.

15.3 Effective tax rate reconciliation:

Numerical reconciliation between the average effective income tax rate and applicable income tax rate is as follows:

	2024	2023
Applicable tax rate	**29.00**	29.00
Tax effect of:		
Super tax - current year	**10.07**	9.03
Prior year charge	**0.36**	4.21
Income taxed at different rate	**-**	(3.44)
Others	**4.44**	3.30
Average effective tax rate	**43.87**	42.1

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
15.4	Tax on items directly credited to statement of other comprehensive income		
	Deferred tax charge/(credit) on defined benefit plans	**158,103**	(151,453)
		158,103	(151,453)
16	**Earnings per share**		
	Profit after tax (Rs. '000)	**27,782,933**	28,959,663
	Number of fully paid weighted average ordinary shares ('000)	**255,494**	255,494
	Earnings per share - Basic (Rs.)	**108.74**	113.35
	There is no dilutive effect on the basic earnings per share of the Group.		
17	**Property, plant and equipment**		
	Operating assets - note 17.1	20,292,361	19,033,213
	Capital work in progress - note 17.2	4,419,445	2,663,613
		24,711,806	21,696,826

For The Year Ended December 31, 2024

17.1 Operating assets

	Free-hold land	Buildings on freehold land	Plant and machinery	Office and household equipment	Furniture and fittings	Vehicles	Right of use assets: Land and building	Right of use assets: Factory Vehicles - Fork Lifter Trucks	Right of use assets: Vehicles	Right of use assets: Sub-total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At January 1, 2023											
Cost	33,934	1,686,158	22,130,632	2,669,093	841,811	68,177	2,144,667	391,656	1,913,363	4,449,686	31,879,491
Accumulated Depreciation / impairment	-	(619,279)	(10,721,025)	(2,027,070)	(433,244)	(58,754)	(1,401,083)	(216,442)	(643,007)	(2,260,532)	(16,119,904)
Net book value at January 1, 2023	**33,934**	**1,066,879**	**11,409,607**	**642,023**	**408,567**	**9,423**	**743,584**	**175,214**	**1,270,356**	**2,189,154**	**15,759,587**
Year ended December 31, 2023											
Net book value at January 1, 2023	33,934	1,066,879	11,409,607	642,023	408,567	9,423	743,584	175,214	1,270,356	2,189,154	15,759,587
Additions	-	74,528	1,616,612	190,401	11,813	3,132	1,890,236	62,900	893,059	2,846,195	4,742,681
Transfer from CWIP	-	27,047	619,099	156,134	26,975	6,000	-	-	-	-	835,255
Disposals	-	-	(969)	(2,688)	(372)	-	-	-	(147,317)	(147,317)	(151,346)
Depreciation charge / impairment	-	(24,700)	(895,098)	(267,860)	(62,258)	(3,369)	(506,874)	(46,382)	(346,423)	(899,679)	(2,152,964)
Net book value at December 31, 2023	**33,934**	**1,143,754**	**12,749,251**	**718,010**	**384,725**	**15,186**	**2,126,946**	**191,732**	**1,669,675**	**3,988,353**	**19,033,213**
At December 31, 2023											
Cost	33,934	1,787,733	24,445,151	3,164,932	866,285	34,009	4,034,903	440,161	2,570,275	7,045,339	37,377,383
Accumulated depreciation / impairment	-	(643,979)	(11,695,900)	(2,446,922)	(481,560)	(18,823)	(1,907,957)	(248,429)	(900,600)	(3,056,986)	(18,344,170)
Net book value at December 31, 2023	**33,934**	**1,143,754**	**12,749,251**	**718,010**	**384,725**	**15,186**	**2,126,946**	**191,732**	**1,669,675**	**3,988,353**	**19,033,213**
At January 1, 2024											
Cost	33,934	1,787,733	24,445,151	3,164,932	866,285	34,009	4,034,903	440,161	2,570,275	7,045,339	37,377,383
Accumulated Depreciation / impairment	-	(643,979)	(11,695,900)	(2,446,922)	(481,560)	(18,823)	(1,907,957)	(248,429)	(900,600)	(3,056,986)	(18,344,170)
Net book value at January 1, 2024	33,934	1,143,754	12,749,251	718,010	384,725	15,186	2,126,946	191,732	1,669,675	3,988,353	19,033,213
Year ended December 31, 2024											
Net book value at January 1, 2024	33,934	1,143,754	12,749,251	718,010	384,725	15,186	2,126,946	191,732	1,669,675	3,988,353	19,033,213
Additions	-	5,657	462,168	228,064	-	56,286	925,030	-	761,811	1,686,841	2,439,016
Transfer from CWIP	-	82,581	984,207	261,623	-	-	-	-	-	-	1,328,411
Disposals	-	-	(52,180)	(22)	(346)	(10,295)	(2,599)	-	(197,804)	(200,403)	(263,246)
Depreciation charge / impairment	-	(56,339)	(990,429)	(307,683)	(57,647)	(2,151)	(563,613)	(64,160)	(396,489)	(1,024,262)	(2,438,511)
Impairment reversal - note 17.3.1	-	193,478	-	-	-	-	-	-	-	-	193,478
Net book value at December 31, 2024	33,934	1,369,131	13,153,017	899,992	326,732	59,026	2,485,764	127,572	1,837,193	4,450,529	20,292,361
At December 31, 2024											
Cost	33,934	1,871,372	26,741,603	3,549,029	862,955	73,883	4,954,262	440,161	2,902,664	8,297,087	41,429,863
Accumulated depreciation / impairment	-	(502,241)	(13,588,586)	(2,649,037)	(536,223)	(14,857)	(2,468,498)	(312,589)	(1,065,471)	(3,846,558)	(21,137,502)
Net book value at December 31, 2024	33,934	1,369,131	13,153,017	899,992	326,732	59,026	2,485,764	127,572	1,837,193	4,450,529	20,292,361

For The Year Ended December 31, 2024

17.1.1 Particulars of immovable property (land and building) in the name of the Group are as follows:

Location	Total Area
Production Plants	
Jhelum	58.3 Acres
Akora	61.0 Acres
Mirpur Azad Jammu & Kashmir	178,324 Sq ft.
Warehouses	
Faujoon	163,970 Sq ft.
Shergarh	65,227 Sq ft.
Takht Bhai	54,593 Sq ft.
Umerzai	87,464 Sq ft.
Mianwali	878,694 Sq ft.
Okara	71,723 Sq ft.

17.2 Capital work in progress

	2024 Rs. '000	2023 Rs. '000
Carrying value at the beginning of the year	**2,663,613**	1,067,401
Additions during the year	**3,084,243**	2,431,467
	5,747,856	3,498,868
Transferred to operating fixed assets	**(1,328,411)**	(835,255)
Carrying value at the end of the year - note 17.2.1	**4,419,445**	2,663,613

17.2.1 Capital work in progress includes capital expenditure on projects relating to enhancement of already installed machinery.

17.3 Depreciation / impairment charge has been allocated as follows:

	2024	2023
Cost of sales	1,316,143	1,163,542
Raw material purchases and expenses - note - 17.3.1	188,236	347,616
Selling and distribution expenses	299,139	258,152
Administrative expenses	441,515	383,654
	2,245,033	2,152,964

17.3.1 During the reporting period, the Group reversed impairment amounting to Rs. 193,478 thousand.This reversal reflects the reintegration of a previously idle facility into operations. The facility is now actively utilized as part of the environmental excellence agenda, and it is being put to beneficial use in line with the Group's sustainability goals.

For The Year Ended December 31, 2024

17.4 Details of property, plant and equipment disposed off during the year, having book value of Rs. 500,000 or more are as follows:

	Cost	Book value	Sale proceeds less selling expenses	Gain/ (Loss) on Sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Plant & Machinery						
- by negotiation	100,203	91,122	91,122	-	BAT M.E DMCC., U.A.E	Associated Company
Vehicles						
- as per Group's policy	2,846	645	569	(76)	Zain Bakir	Assignee-Associated Co.
	3,483	789	695	(94)	Muhammad Ranjha	Executive
	3,658	1,268	1,022	(246)	S.Bilal Farhat	Assignee-Associated Co.
	3,547	709	708	(2)	Irfan Mirza	Ex-Executive
	3,547	1,088	1,703	615	Farhan Bashir	Assignee-Associated Co.
	3,483	1,161	1,066	(95)	Salman Shahid	Ex-Executive
	3,663	1,465	1,246	(219)	Jibran Khan	Executive
	3,733	2,240	1,938	(302)	Salman Rashid	Assignee-Associated Co.
	3,733	2,041	2,088	48	M.Attaullah Sidiqi	Assignee-Associated Co.
	3,733	2,041	1,740	(301)	Amna Aslam	Executive
	3,733	1,941	1,593	(349)	Fahd Masud	Executive
	3,733	2,240	1,822	(418)	Talha Mujeeb	Executive
	3,911	2,659	2,164	(495)	Neshay Aqeel	Assignee-Associated Co.
	4,057	1,515	1,192	(323)	Muhammad Ali	Executive
	4,137	1,931	1,876	(55)	Usman Jawed	Assignee-Associated Co.
	4,137	2,648	2,693	46	Ayesha Agha	Assignee-Associated Co.
	4,137	1,544	1,297	(247)	Bilal Munzar	Assignee-Associated Co.
	4,219	2,306	2,358	52	Maham Khan	Assignee-Associated Co.
	5,343	4,345	4,268	(78)	Mansoor Ahmed	Assignee-Associated Co.
	5,343	3,847	3,417	(429)	Haseeb Khan	Executive
	5,713	4,418	3,659	(759)	Muaz Moeen	Executive
	5,878	4,154	3,531	(623)	Rabia Abro	Assignee-Associated Co.
	6,143	4,668	4,147	(521)	Syed Hasham Ali	Assignee-Associated Co.
	6,630	5,215	4,993	(222)	Ahmer Rais Khan	Assignee-Associated Co.
	6,630	5,215	5,354	139	Waqas Abbasi	Executive
	6,960	6,403	6,313	(90)	Zain Bakir	Assignee-Associated Co.
	7,204	5,955	5,909	(46)	Sana Rehman	Assignee-Associated Co.
	7,204	6,243	5,183	(1,061)	Syed Qasim Ali	Assignee-Associated Co.
	7,640	6,316	4,462	(1,854)	Madeeha Chaudhry	Assignee-Associated Co.
	7,630	5,798	4,583	(1,216)	Umer Khan	Assignee-Associated Co.
	7,861	1,782	2,051	269	Hassan Khlid	Assignee-Associated Co.
	8,689	2,085	3,074	989	Waqas Manzoor	Assignee-Associated Co.
	8,690	7,994	8,225	230	Sarah Khan	Assignee-Associated Co.
	8,980	6,705	6,759	55	Rizwan Zafar	Assignee-Associated Co.
	9,000	3,240	3,327	87	Haroon Saleem	Assignee-Associated Co.
	25,000	15,667	17,000	1,333	Zubair Khan	Ex Executive

For The Year Ended December 31, 2024

	Cost Rs. '000	Book value Rs. '000	Sale proceeds less selling expenses Rs. '000	Gain/ (Loss) on Sale Rs. '000	Particulars of buyers	Relationship
Vehicles by Auction	1,134	559	1,555	996	Through bidding in auction	Auction agent
	2,639	528	4,000	3,472	Through bidding in auction	Auction agent
	2,639	528	3,765	3,237	Through bidding in auction	Auction agent
	2,646	529	3,930	3,401	Through bidding in auction	Auction agent
	2,646	529	3,725	3,196	Through bidding in auction	Auction agent
	2,646	529	3,740	3,211	Through bidding in auction	Auction agent
	2,646	529	4,060	3,531	Through bidding in auction	Auction agent
	2,646	529	4,050	3,521	Through bidding in auction	Auction agent
	2,646	529	4,080	3,551	Through bidding in auction	Auction agent
	2,646	529	3,890	3,361	Through bidding in auction	Auction agent
	2,646	529	4,270	3,741	Through bidding in auction	Auction agent
	2,646	529	3,720	3,191	Through bidding in auction	Auction agent
	2,646	529	4,060	3,531	Through bidding in auction	Auction agent
	2,646	529	4,060	3,531	Through bidding in auction	Auction agent
	2,646	529	3,490	2,961	Through bidding in auction	Auction agent
	2,646	529	4,265	3,736	Through bidding in auction	Auction agent
	2,646	529	3,915	3,386	Through bidding in auction	Auction agent
	2,646	529	4,215	3,686	Through bidding in auction	Auction agent
	2,646	529	3,650	3,121	Through bidding in auction	Auction agent
	2,646	529	3,465	2,936	Through bidding in auction	Auction agent
	2,646	529	3,750	3,221	Through bidding in auction	Auction agent
	2,646	529	3,650	3,121	Through bidding in auction	Auction agent
	2,646	529	3,900	3,371	Through bidding in auction	Auction agent
	2,646	529	3,650	3,121	Through bidding in auction	Auction agent
	2,689	538	4,130	3,592	Through bidding in auction	Auction agent
	2,689	538	4,035	3,497	Through bidding in auction	Auction agent
	2,895	579	4,655	4,076	Through bidding in auction	Auction agent
	2,895	579	3,955	3,376	Through bidding in auction	Auction agent
	3,107	704	4,865	4,161	Through bidding in auction	Auction agent
	3,483	1,068	5,600	4,532	Through bidding in auction	Auction agent
	3,483	697	4,270	3,573	Through bidding in auction	Auction agent
	3,547	709	5,000	4,291	Through bidding in auction	Auction agent
	3,733	2,090	5,850	3,760	Through bidding in auction	Auction agent
	4,328	866	4,800	3,934	Through bidding in auction	Auction agent
	5,343	3,918	5,365	1,447	Through bidding in auction	Auction agent
	5,343	4,416	7,200	2,784	Through bidding in auction	Auction agent
	5,432	1,086	7,915	6,829	Through bidding in auction	Auction agent
	7,200	5,472	5,650	178	Through bidding in auction	Auction agent
	7,204	6,436	6,860	424	Through bidding in auction	Auction agent
	8,689	2,896	12,100	9,204	Through bidding in auction	Auction agent
	8,980	7,902	8,255	353	Through bidding in auction	Auction agent
	8,980	7,543	7,880	337	Through bidding in auction	Auction agent
	11,700	2,340	18,700	16,360	Through bidding in auction	Auction agent
	12,100	2,420	7,415	4,995	Through bidding in auction	Auction agent

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	Cost	Book value	Sale proceeds less selling expenses	Gain/ (Loss) on Sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
- by insurance claim	2,646	529	3,850	3,321	EFU General Insurance Ltd.	Insurance agent
	2,646	529	4,400	3,871	EFU General Insurance Ltd.	Insurance agent
	3,658	1,561	4,400	2,839	EFU General Insurance Ltd.	Insurance agent
	3,663	1,514	5,210	3,696	EFU General Insurance Ltd.	Insurance agent

17.5 The Group controls certain property, plant & equipment that are not physically located at the entity's premises but remain under its ownership and operational control and appropriate safeguards, including maintenance and security measures have been implemented to ensure operational effeciency. The key details are as follows:

	Cost	Accumulated depreciation	Net book value	Nature of asset	Location
	Rs. '000	Rs. '000	Rs. '000		
Vehicles					
	3,483	(2,786)	697	Entitlement car	Lahore
	8,980	(2,155)	6,824	Entitlement car	Lahore
	4,160	(1,941)	2,218	Entitlement car	Lahore
	4,221	(1,970)	2,251	Entitlement car	Lahore
	4,417	(2,061)	2,356	Entitlement car	Lahore
	4,616	(1,539)	3,077	Entitlement car	Lahore
	5,343	(1,781)	3,562	Entitlement car	Lahore
	5,343	(1,781)	3,562	Entitlement car	Lahore
	4,415	(1,354)	3,061	Entitlement car	Lahore
	3,987	(1,223)	2,765	Entitlement car	Lahore
	3,987	(1,223)	2,765	Entitlement car	Lahore
	3,984	(1,169)	2,816	Entitlement car	Lahore
	5,343	(1,567)	3,775	Entitlement car	Lahore
	5,713	(1,523)	4,189	Entitlement car	Lahore
	6,756	(1,802)	4,954	Entitlement car	Lahore
	6,194	(1,652)	4,543	Entitlement car	Lahore
	19,178	(4,603)	14,575	Entitlement car	Lahore
	7,156	(1,527)	5,629	Entitlement car	Lahore
	8,887	(1,896)	6,991	Entitlement car	Lahore
	8,899	(1,780)	7,119	Entitlement car	Lahore
	8,887	(1,777)	7,110	Entitlement car	Lahore
	8,980	(1,796)	7,184	Entitlement car	Lahore
	7,204	(1,441)	5,763	Entitlement car	Lahore
	8,980	(1,796)	7,184	Entitlement car	Lahore
	18,098	(2,896)	15,202	Entitlement car	Lahore
	3,663	(2,442)	1,221	Entitlement car	Lahore
	4,137	(2,813)	1,324	Entitlement car	Lahore
	3,733	(2,140)	1,593	Entitlement car	Lahore

		2024 Rs. '000	2023 Rs. '000
18	**Long term deposits and prepayments**		
	Security deposits	27,895	42,395
		27,895	42,395
19	**Stock-in-trade**		
	Raw materials	46,621,597	42,440,805
	Raw materials in transit	813,547	872,044
	Work in process	256,704	360,320
	Finished goods	1,718,694	3,141,068
		49,410,542	46,814,237
	Provision for damaged / obsolete stocks - note 19.1	(568,551)	(141,936)
		48,841,991	46,672,301
19.1	**Movement in provision for damaged stocks is as follows:**		
	Balance as at January 1	141,936	129,298
	Provision for the year	638,128	199,435
	Written off during the year	(211,513)	(186,797)
	Balance as at December 31	568,551	141,936
20	**Stores and spares**		
	Stores and spares	789,514	710,952
	Provision for slow moving items - note 20.1	(184,339)	(79,963)
		605,175	630,989
20.1	**Movement in provision for slow moving items is as follows:**		
	Balance as at January 1	79,963	79,963
	Provision / (Reversal) during the year - note 9	104,375	-
	Balance as at December 31	184,338	79,963

21 Trade debts

These represent amounts receivable from Government entities of Rs. 3,364 thousand (2023: Rs. 6,022 thousand) and from third parties of Rs. nil (2023: Rs. 2,681,699 thousand).

For The Year Ended December 31, 2024

		2024 Rs. '000	2023 Rs. '000
22	**Loans and advances**		
	Related parties:		
	Advances to key management personnel for house rent and expenses - note 22.1	224	2,408
	Others:		
	Advances to executives for house rent and expenses	31,729	24,327
	Advances to other parties	241,676	619,684
		273,629	646,419
22.1	**The following advances were outstanding as at December 31:**		
	Uzair Qazi	224	408
	Mir Faraz	-	2,000
		224	2,408

The maximum aggregate amount of advances to key management personnel outstanding at the end of any month during the year was Rs. 2,872 thousand (2023: Rs. 3,020 thousand).

These loans and advances are unsecured. Advances extended to key management personnel, executives and other employees are deducted from the individuals' monthly payroll as per Company's policy.

		2024 Rs. '000	2023 Rs. '000
23	**Other receivables**		
	Related parties - unsecured:		
	Due from associated companies - note 23.1	3,614,648	2,498,670
	Workers' profit participation fund - note 26.7	243,567	-
	Staff pension fund - note 32	472,426	-
	Staff pension fund - defined contribution	566	8,006
	Management provident fund	424	54,225
	Employees' provident fund	169	8,779
	Others:		
	Claims against suppliers	6,576	6,576
	Cash margin with banks - imports	343,301	394,883
	Others	69,663	172,269
		4,751,340	3,143,408

For The Year Ended December 31, 2024

23.1 Ageing analysis of the amounts due from associated companies comprises:

	Upto 1 month Rs. '000	1 to 6 months Rs. '000	More than 6 months Rs. '000	2024 Rs. '000	2023 Rs. '000
Associated companies:					
BAT M.E DMCC - UAE	2,358,075	14,024	395,225	**2,767,324**	2,047,973
BAT SAA Service (Private) Ltd. - Pakistan	138,913	-	121,085	**259,998**	118,400
BAT Nigeria Ltd - Nigeria	128,479	-	74,298	**202,777**	76,033
BAT (GLP) Limited - UK	27,156	104,015	-	**131,171**	51,931
BAT Saudia for Trading - Saudi Arabia	3,196	-	58,118	**61,314**	39,466
Nicoventures Trading Limited - UK	39,905	-	-	**39,905**	18,738
BAT (Investments) Ltd - UK	6,412	-	33,260	**39,672**	76,793
BAT Arabia for Trading - Saudi Arabia	3,484	-	29,912	**33,396**	-
BAT Japan Limited - Japan	28,308	-	-	**28,308**	3,370
BAT M.E Trading - UAE	18,173	-	-	**18,173**	-
BAT Exports Limited - UK	1,110	4,844	8,509	**14,463**	-
BAT South Africa S.A - South Africa	10,458	-	-	**10,458**	20,952
Ceylon Tobacco Co. Ltd - SriLanka	4,555	-	-	**4,555**	4,446
Fielder & Lundgren AB - Sweden	1,993	-	-	**1,993**	-
BAT Bangladesh Co. Limited - Bangladesh	-	-	1,141	**1,141**	1,153
Nico HK Limited - Hongkong	-	-	-	**-**	16,095
BAT Trieste S.P.A - Italy	-	-	-	**-**	14,256
HR Vatski Duhani D.D. - Croatia	-	-	-	**-**	4,171
BAT (Singapore) Pte Ltd - Singapore	-	-	-	**-**	2,692
Central Manufacturing Co. Ltd - Fiji Islands	-	-	-	**-**	1,631
BAT Marketing (S) Pte Ltd - Singapore	-	-	-	**-**	570
Total	**2,770,217**	**122,883**	**721,548**	**3,614,648**	**2,498,670**

23.1.1 The maximum aggregate amount of receivable from related parties at the end of any month during the year was Rs. 3,614,648 thousand (2023: Rs. 2,498,670 thousand).

		2024 Rs. '000	2023 Rs. '000
24	**Short term investments**		
	At fair value through profit or loss (FVTPL):		
	- Market treasury bills	-	14,557,699
24.1	The treasury bills are held for trading. Details of these are given below:		
	No. of instruments	-	1
	Maturity tenor	-	3 Months
	Year of origin	-	2023
	Effective interest rate	-	21%
	Original maturity	-	Jan 4, 2024
	Acquisition date	-	Dec 13, 2023
	Acquisition price	-	14,397,855
	Remaining matuiry	-	71 days
	Disposal date	-	Jan 4, 2024
25	**Cash and bank balances**		
	Deposit account - note 25.1	**3,834**	4,720
	Current accounts:		
	Local currency	**10,049,173**	15,892,319
	Foreign currency	**3,249,747**	2,041,856
		13,302,754	17,938,895
25.1	These are security deposits being kept in separate bank account.		
26	**Trade and other payables**		
	Related parties - unsecured:		
	Due to holding Company / associated companies - note 26.1	**2,955,570**	15,425,903
	Others:		
	Creditors	**12,410,609**	11,954,935
	Federal excise duty - note 26.2	**6,468,635**	4,357,304
	Sales tax	**4,159,117**	3,885,217
	Workers' welfare fund - note 26.6	**1,104,906**	1,103,156
	Workers' profit participation fund - note 26.7	-	1,232,556
	Other accrued liabilities	**527,637**	568,169
	Employee incentive schemes - note 26.4	**114,333**	90,847
	Employees' gratuity fund - note 32	**264,892**	263,159
	Staff pension fund - note 32	-	100,284
	Tobacco excise duty / tobacco development cess - note 26.3	**409,572**	141,731
	Security deposits - note 26.5	**3,834**	4,234
	Contract liability	**107,222**	2,890
		28,526,327	39,130,385

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
26.1 The amount due to holding Company / associated companies comprises:		
Holding Company:		
British American Tobacco p.l.c. - UK	**67,588**	799,003
Associated companies:		
BAT M.E DMCC - UAE - note 26.1.1	**805,452**	5,515,926
BAT Exports Limited - UK	**804,917**	784,119
BAT GLP Ltd - UK - note 26.1.1	**370,199**	5,434,646
Nicoventures Trading Ltd - UK	**304,744**	120,194
BAT Kuwait for Wholesale - Kuwait	**90,525**	183,579
BAT Saudia for Trading - Saudi Arabia - note 26.1.1	**75,864**	53,340
BAT (Investments) Ltd - UK	**67,077**	3,384
BAT Jordan Ltd - Jordan - note 26.1.1	**62,364**	62,980
BAT Souza Cruz Ltd - Brazil	**58,691**	50,513
BAT Asia Pacific Ltd - HongKong	**49,145**	50,190
BAT Gulf for Trading LLC - Qatar-note 26.1.1	**35,151**	15,137
BAT M.E SPC - Bahrain - note 26.1.1	**34,770**	45,691
BAT Korea Manufacturing - South Korea	**32,680**	3,436
BAT Singapore (Pte) Ltd - Singapore	**27,660**	86,729
BAT Australia Ltd - Australia	**21,999**	24,484
BAT Bangladesh Co. Limited - Bangladesh	**19,301**	7,371
BASS GSD Ltd. - UK	**10,804**	1,740,575
BAT Aspac Service centre BHD Sdn - Malaysia	**9,053**	-
BAT GSD (KL) SDN BHD - Malaysia	**4,479**	4,559
BAT Tutun Mamulleri - Turkey	**1,681**	986
PT Bentoel Prima - Indonesia	**728**	184,664
BAT Romania Investments Ltd - Romania	**559**	602
Tabacalera Hondurena S.A - Honduras	**139**	141
BAT South Africa SA. - South Africa	**-**	248,692
Fielder & Lundgren AB. - Sweden	**-**	3,986
BAT Middle East for Trading - UAE - note 26.1.1	**-**	976
	2,955,570	15,425,903

26.1.1 Rs. 1,802,891 thousand (2023: Rs. 1,338,848 thousand) relates to unsecured export advance.

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
26.2 Federal excise duty		
Balance as at January 1	**4,357,304**	6,291,182
Charged during the year	**179,481,016**	158,587,276
Payment to the Government during the year	**(177,369,685)**	(160,521,154)
Balance as at December 31	**6,468,635**	4,357,304
26.3 Tobacco excise duty / tobacco development cess:		
Balance as at January 1	**141,731**	146,337
Charge for the year	**934,424**	227,620
Payment / reversal during the year	**(666,583)**	(232,226)
Balance as at December 31	**409,572**	141,731

26.4 Employee incentive schemes

These represent liability for unvested portion of cash-settled share-based payment schemes available to certain employees. Such schemes require the Company to pay the intrinsic value of these share based payments to the employee at the vesting date.

	2024 Rs. '000	2023 Rs. '000
Restricted Share Plan (RSP) - note 26.4.1		
Balance as at January 1	**26,704**	32,519
Charge for the year	**32,499**	13,332
Share options exercised	**(15,822)**	(19,147)
Balance as at December 31	**43,381**	26,704
Deferred Share Bonus Scheme (DSBS) - note 26.4.2		
Balance as at January 1	**64,143**	80,149
Charge for the year	**49,055**	38,794
Share options exercised	**(42,246)**	(54,801)
Balance as at December 31	**70,952**	64,143
	114,333	90,847

26.4.1 Restricted Share Plan (RSP)

	Number of Options	
Outstanding as at January 1	**5,115**	4,692
Granted during the year	**6,429**	2,338
Exercised during the year	**(1,885)**	(1,915)
Outstanding as at December 31	**9,659**	5,115

There are no exercisable options as at 31st December, 2024.

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	2024	2023
	Number of Options	
26.4.2 Deferred Share Bonus Scheme (DSBS)		
Details of the options movement for cash-settled DSBS scheme during the year were as follows:		
Outstanding as at January 1	**13,916**	15,887
Granted during the year	**2,790**	4,710
Exercised during the year	**(5,033)**	(6,681)
Outstanding as at December 31	**11,673**	13,916

There are no exercisable options as at 31st December, 2024.

26.5 These represent amounts received as security deposits from dealers and suppliers, which are non-utilisable for the purpose of the business in accordance with their agreements. These security deposits are being held in a separate bank account.

	2024	2023
	Rs. '000	Rs. '000
26.6 Movement in Workers' Welfare Fund is as follows:		
Balance as at January 1	**1,103,156**	708,849
Charged during the year	**1,104,906**	1,076,059
Prior year WWF reversal	**(181,974)**	-
Payment during the year	**(921,182)**	(681,752)
Balance as at December 31	**1,104,906**	1,103,156
26.7 Movement in Workers' Profit Participation Fund is as follows:		
Balance as at January 1	**1,232,556**	(154,608)
Allocation for the year	**2,450,579**	2,903,043
Interest expense on WPPF	**32,831**	-
Payments during the year	**(3,959,533)**	(1,515,879)
Balance as at December 31	**(243,567)**	1,232,556

27 Other liabilities

This relates to provisions for employee benefits, litigation and restructuring consequent to modernization of production processes. During the year, the Company has utilized amounts aggregating Rs. 612 million (2023: Rs. 711 million) and remaining charge in obligation is Rs. 1,264 million (reversed in 2023: Rs. 1,293 million).

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28 Short term running finance - secured

(a) Short term running finance

"Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 18,000 million (2023: Rs. 6,500 million), out of which the amount unavailed at the year end was Rs. 18,000 million (2023: Rs. 6,500 million). These facilities are secured by hypothecation of stock in trade and plant and machinery amounting to Rs. 20,002 million (2023: Rs. 7,222 million). The mark-up ranges between 13.40% and 22.54% (2023: 16.53% and 22.97%) per annum and is payable quarterly. The facilities are renewable on annual basis.

(b) Non-funded finance facilities

The Group also has non-funded financing facilities available with banks, which include facility to avail letter of credit and letter of guarantee. The aggregate facility of Rs. 22,500 million (2023: Rs. 18,500 million) and Rs. 1,650 million (2023: Rs. 1,650 million) is available for letter of credit and letter of guarantee respectively, out of which the facility availed at the year end is Rs. 5,240 million (2023: Rs. 8,898 million) and Rs. 1,230 million (2023: Rs. 1,020 million). The letter of credit and guarantee facility is secured by ranking hypothecation charge over stock-in-trade amounting to Rs. 1,833 million (2023: Rs. 1,333 million).

29 Lease liability

This represents lease agreements entered into with a leasing Company for vehicles and IFRS 16 leases. Total lease rentals due under various lease agreements aggregate to Rs. 3,881,394 thousand - short term Rs. 719,693 thousand and long term Rs. 3,161,701 thousand (December 31, 2023: Rs. 3,422,042 thousand - short term Rs. 852,765 thousand and long term Rs. 2,569,277 thousand) and are payable in equal monthly installments latest by December 2029. Taxes, repairs, replacement and insurance costs are to be borne by the Group. Financing rates of 11% to 23% (December 31, 2023: 11% to 23%) per annum have been used as discounting factor.

As per IFRS 16 all rental facilities of the Group with lease terms greater than one year have been capitalised as leased assets. When measuring the lease liabilities for leases that were capitalised during the year, the Group discounted lease payments using an estimated incremental borrowing rate and recorded lease obligation of Rs. 925,030 thousand (2023: Rs. 1,890,236 thousand) during the year.

The amount of future minimum lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2024 Rs. '000	2023 Rs. '000
Present value of minimum lease payments	**3,881,394**	3,422,042
Current maturity shown under current liabilities	**(719,693)**	(852,765)
	3,161,701	2,569,277
Future minimum lease payments		
Not later than one year	**1,069,671**	1,165,378
Later than one year	**7,214,473**	6,673,829
	8,284,144	7,839,207
Interest	**(4,402,750)**	(4,417,165)
Present value of minimum lease payments	**3,881,394**	3,422,042
Present value of minimum lease payments		
Not later than one year	**719,693**	852,765
Later than one year	**3,161,701**	2,569,277
	3,881,394	3,422,042

For The Year Ended December 31, 2024

30 Unpaid dividend

Unpaid dividend includes amount of Rs. nil (2023: Rs. 7,733,935 thousand), payable to British American Tobacco (Investments) Limited, parent Company.

31 Deferred income tax liability

	2024 Rs. '000	2023 Rs. '000
Deferred tax liability is in respect of:		
Accelerated tax depreciation	**2,900,694**	2,448,268
Leased assets	**226,667**	227,176
	3,127,361	2,675,444
Deferred tax asset is in respect of:		
Remeasurement loss arising on employees' retirement benefit	**(227,885)**	(385,988)
Provision for severance benefits	**(203,896)**	(163,151)
Provision for inventory	**(132,819)**	-
Provision for stock and stores	**(71,892)**	(31,186)
	2,490,869	2,095,119
The gross movement on deferred income tax account is as follows:		
At January 1	**2,095,119**	869,898
Charge for the year - statement of profit or loss - note 15	**237,647**	1,376,674
Charge/(Credit) for the year - statement of comprehensive income	**158,103**	(151,453)
At December 31	**2,490,869**	2,095,119

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

32 Retirement benefits

Investments in all contributory funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for that purpose.

	2024 Rs. '000	2023 Rs. '000
Staff pension fund - note 23 & note 26	**(472,426)**	100,284
Employees' gratuity fund - note 26	**264,892**	263,159

The latest actuarial valuation of the defined benefit plans was conducted at December 31, 2024 using the projected unit credit method. Details of the defined benefit plans are:

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
(a) The amounts recognised in the statement of financial position:				
Present value of defined benefit obligations	**8,896,358**	7,244,549	**2,411,728**	1,936,281
Fair value of plan assets	**(9,368,784)**	(7,144,265)	**(2,146,836)**	(1,673,122)
Net asset / liability	**(472,426)**	100,284	**264,892**	263,159
(b) Movement in the (asset) / liability recognised in the statement of financial position is as follows:				
Balance as at January 1	**100,284**	122,112	**263,159**	272,269
Charge for the year - profit or loss	**45,194**	(4,441)	**134,571**	149,314
Employer's contribution during the year	**(168,245)**	(157,389)	**(177,105)**	(305,095)
Benefits paid by the Company	**-**	-	**-**	-
Remeasurement (gain)/loss recognised in Other Comprehensive Income (OCI) during the year	**(449,659)**	140,002	**44,267**	146,671
Balance as at December 31	**(472,426)**	100,284	**264,892**	263,159

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(c) The amounts recognised in the statement of profit or loss:

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the year end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	**2024 Rs. '000**	2023 Rs. '000
Current service cost	**41,774**	46,041	**122,317**	104,838
Interest cost	**1,124,316**	847,642	**307,646**	233,008
Expected return on plan assets	**(1,109,418)**	(822,514)	**(268,941)**	(196,765)
Net interest	**14,898**	25,128	**38,705**	36,243
Members' own contribution	**(11,478)**	(9,827)	**-**	-
Secondees' own contribution	**(15,508)**	(5,278)	**-**	-
Past service cost	**-**	(46,492)	**-**	46,098
Contribution by employer in respect of secondees	**15,508**	(14,013)	**(26,451)**	(37,865)
	45,194	(4,441)	**134,571**	149,314
(d) Re-measurements recognised in Other Comprehensive Income (OCI) during the year:				
Actuarial loss / (gain) on obligation	**869,320**	785,286	**183,756**	237,568
Net return on plan assets over interest income	**(1,318,979)**	(645,284)	**(139,489)**	(90,897)
Total remeasurements loss / (gain) recognised in OCI	**(449,659)**	140,002	**44,267**	146,671
(e) Movement in the present value of defined benefit obligation:				
Present value of defined benefit obligation at January 1	**7,244,549**	6,106,054	**1,936,282**	1,638,103
Current service cost	**41,774**	(451)	**122,317**	150,936
Interest cost	**1,124,316**	847,642	**307,646**	233,008
Actual benefits paid during the year	**(383,601)**	(493,982)	**(138,273)**	(323,334)
Remeasurements: Actuarial loss/(gain) on obligation	**869,320**	785,286	**183,756**	237,568
Present value of defined benefit obligation at December 31	**8,896,358**	7,244,549	**2,411,728**	1,936,281

For The Year Ended December 31, 2024

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	**2024 Rs. '000**	2023 Rs. '000
(f) Movement in the fair value of plan assets:				
Fair value of plan assets at January 1	**7,144,265**	5,983,942	**1,673,122**	1,365,834
Interest income	**1,109,418**	822,514	**268,941**	196,765
Contribution by employer in respect of members	**168,245**	157,389	**177,106**	305,095
Members' own contribution	**11,478**	14,013	**-**	-
Secondees' own contribution	**15,508**	9,827	**-**	-
Contribution by employer in respect of secondees	**(15,508)**	5,278	**26,451**	37,865
Actual benefits paid during the year	**(383,601)**	(493,982)	**(138,273)**	(323,334)
Return on plan assets, excluding amounts included in interest income	**1,318,979**	645,284	**139,489**	90,897
Fair value of plan assets at December 31	**9,368,784**	7,144,265	**2,146,836**	1,673,122
Actual return on plan assets	**2,220,574**	1,084,056	**535,549**	252,813

The Group expects to credit Rs 14 million for pension plan and charge Rs 150 million for gratuity plan for the year ending December 31, 2025.

(g) The major categories of plan assets:				
Investment in listed equities	**2,466,812**	1,481,619	**614,980**	353,302
Investment in bonds	**6,665,325**	4,703,826	**1,505,158**	491,658
Cash and other assets	**236,647**	958,820	**26,698**	828,162
	9,368,784	7,144,265	**2,146,836**	1,673,122
(h) Significant actuarial assumptions at the statement of financial position date:				
Discount rate	**12.75%**	16.00%	**12.75%**	16.00%
Pension increase rate	**8.25%**	11.00%	**-**	-
Expected rate of increase in salary				
First year	**10.75%**	14.00%	**10.75%**	14.00%
Second year onwards	**10.75%**	14.00%	**10.75%**	14.00%

The mortality table used for post retirement mortality is Standard Table Mortality The "80" Series PMA 80 (C=2021) and PFA 80(C=2021) for males and females respectively but rated up 2 years.

For The Year Ended December 31, 2024

The discount rate is determined by considering underlying yield currently available on Pakistan Investment Bonds and high quality term finance certificates and expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

Salary increase assumption is based on the current general practice in the market.

(i) Sensitivity Analysis on significant actuarial assumptions

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the year end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit pension plan		Defined benefit gratuity plan	
	2024 Rs. '000	2023 Rs. '000	**2024 Rs. '000**	2023 Rs. '000
Discount rate	**(986,462)**	1,211,474	**(175,860)**	200,277
Salary increase	**86,784**	(80,091)	**208,073**	(185,415)
Increase in post retirement pension	**1,151,213**	(950,670)	-	-

If life expectancy increases by 1 year, the obligation of the pension fund increases by Rs 539,990 thousand (2023: 446,519 thousand).

Expected maturity profile

Following are the expected distribution and timing of benefits payments at the year end.

	Defined benefit pension plan 2024	Defined benefit pension plan 2023	Defined benefit gratuity plan 2024	Defined benefit gratuity plan 2023
Weighted average duration of the PBO (Years)	11.09	10.73	7.77	7.83

Risks associated with defined benefit plan

Longevity Risk: The risk arises when the actual lifetime of retiree is longer than the estimate of future employee lifetime expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase Risk: The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than the expectations and impacts the liability accordingly.

Withdrawal Risk: The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Mortality Risk: The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Investment Risk: The risk of the investments underperforming and not being sufficient to meet the liabilities

For The Year Ended December 31, 2024

Historical Information

	Defined benefit pension plan (Rs.'000)		Defined benefit gratuity plan (Rs. '000)	
	Present value of defined benefit obligation	Net (Asset) / liability at the end of the year	Present value of defined benefit obligation	Net liability at the end of the year
2024	**8,896,358**	**(472,426)**	**2,411,728**	**264,892**
2023	7,244,549	100,284	1,936,281	263,159
2022	6,106,054	122,112	1,638,103	272,269
2021	5,707,806	(501,307)	1,691,179	219,441
2020	5,882,010	(316,026)	1,598,482	275,517

32.1 Salaries, wages and benefits as appearing in note 9, 10 and 11 include amounts in respect of the following:

	2024 Rs. '000	2023 Rs. '000
Defined contribution provident fund	**136,658**	112,855
Defined benefit pension fund	**45,194**	(4,441)
Defined contribution pension fund	**243,877**	190,956
Defined benefit gratuity fund	**134,571**	149,314
	560,300	448,684

32.2 Defined contribution plan

Details of the management and employees' provident funds are as follows:

		Un-audited	Un-audited
(a)	Size of the fund - total assets	**2,078,911**	1,757,069
	Cost of investments made	**1,748,026**	1,583,464
	Percentage of investments made	**84%**	90%
	Fair value of investments made	**2,024,068**	1,658,001

		2024		2023	
(b)	Breakup of investments at cost	Rs. '000	%age	Rs. '000	%age
	Treasury bills	**387,936**	19%	211,525	12%
	Pakistan investment bonds	**462,879**	22%	155,920	9%
	Investment plus deposit certificates	**319,250**	15%	319,250	18%
	Investment in savings account with bank	**67,603**	3%	455,754	26%
	Investment in securities	**207,141**	10%	296,162	17%
	Accrued interest	**303,217**	15%	144,853	8%
		1,748,026	84%	1,583,464	90%

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33 Share capital

33.1 Authorised share capital

2024 Number of Shares	2023 Number of Shares		2024 Rs. '000	2023 Rs. '000
300,000,000	300,000,000	Ordinary Shares of Rs 10 each	**3,000,000**	3,000,000

33.2 Issued, subscribed and paid-up capital

2024 Number of Shares	2023 Number of Shares		2024 Rs. '000	2023 Rs. '000
230,357,068	230,357,068	Issued for cash	**2,303,571**	2,303,571
25,136,724	25,136,724	bonus shares	**251,367**	251,367
255,493,792	255,493,792		**2,554,938**	2,554,938

British American Tobacco (Investments) Limited held 241,045,141 (2023: 241,045,141) ordinary shares at the year-end and 10,274 (2023:10,274) and 798,282 (2023:798,282) ordinary shares are held by the directors / other executives and associated Company or companies respectively.

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

34 Capital reserve - other reserve

This represents Information Technology related services received, exempted recharges and payment of royalty from other Associated Companies/Holding Company. As the Group and associated Companies have effective common control through ultimate beneficial shareholding, and exemption received was with the approval of the ultimate Parent Company, the forgone amount has been recognised in equity as capital reserve.

Movement during the year is detailed below:

	2024 Rs. '000	2023 Rs. '000
Balance as at January 1	**4,042,204**	-
Prior period liabilities rescinded		
- Royalty	**856,228**	-
- Information Technology related services received and exempted recharged	**1,258,050**	-
Information Technology related services received and exempted recharged	**2,767,019**	4,042,204
Balance as at December 31	**8,923,501**	4,042,204

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35 Contingencies and commitments

35.1 Contingencies

Claims and guarantees

	2024 Rs. '000	2023 Rs. '000
(i) Claims against the Group not acknowledged as debt - Note 35.1.1	**3,024**	3,024
(ii) Guarantees issued by banks on behalf of the Group	**1,229,900**	1,020,274
(iii) Post dated cheques to the Collector of Customs	**6,423,688**	6,423,688

35.1.1 Litigation

a) Employees' Old-Age Benefits Institution (EOBI) constituted under the Employees' Old-Age Benefits Act, 1976 ("the Act") requires contributions to be made by industries and establishments against workers employed by it. PTC has been making prompt contributions under the Act. PTC has contractual arrangements with Logistics Service Providers for the shipment of its raw material and finished goods. In the year 2015, the EOBI Jhelum issued a show cause notice dated March 4th, 2015, demanding payment of Rs. 3,024,000 against non-payment of contribution of 200 employees. These employees were in fact employees of five transport concerns with which PTC had contractual arrangements. PTC filed complaint against the said show cause before Adjudicating Authority – III, EOBI Islamabad and raised the objection that this liability is of the five transport concerns who are independent entities. The Adjudicating Authority however passed an order against PTC on February 14th, 2017, upholding the demand earlier raised by the EOBI Jhelum. PTC has filed an appeal in May 2017 against the order before the Board of Trustees EOBI Headquarter at Karachi which is pending adjudication. Said appeal was dismissed in January 2022, following which PTC challenged the demand from EOBI before the Islamabad High Court which issued a stay order in favour of PTC against coercive recovery by EOBI. This stay order is still intact.

The Group expects favourable outcome in this case and accordingly, no provision is recognised in the financial statements.

35.2 Commitments

(a) Letters of credit outstanding at December 31, 2024 were Rs. 5,239,845 thousand (2023: Rs. 8,897,592 thousand).

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36 FINANCIAL INSTRUMENTS - Fair values and risk management

36.1 Accounting classification and fair value

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

	Note	31 December 2024			Fair Value		
		Fair Value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		(-----------------Rs. '000	------------	------------)	(------------Rs. '000	------------	-----------)
Financial assets measured at fair value							
Short-term investments	24	-	-	-	-	-	-
Financial assets not measured at fair value							
Deposits	18	-	27,895	27,895	-	-	-
Trade debts	21	-	3,364	3,364	-	-	-
Other receivables	23	-	4,034,188	4,034,188	-	-	-
Cash and bank balances	25	-	13,302,754	13,302,754	-	-	-
		-	17,368,201	17,368,201	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	26	-	(15,897,650)	(15,897,650)	-	-	-
Other liabilities	27	-	(2,741,079)	(2,741,079)	-	-	-
Lease liability	29	-	(3,881,394)	(3,881,394)	-	-	-
Unpaid dividend	30	-	(142,980)	(142,980)	-	-	-
Unclaimed dividend		-	(133,968)	(133,968)	-	-	-
		-	(22,797,071)	(22,797,071)	-	-	-

	Note	31 December 2023			Fair value		
		Fair Value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3
		(-----------------Rs. '000	------------	------------)	(------------Rs. '000	------------	-----------)
Financial assets measured at fair value							
Short-term investments	24	14,557,699	-	14,557,699	-	14,557,699	-
Financial assets not measured at fair value							
Deposits	18	-	42,395	42,395	-	-	-
Trade debts	21	-	2,687,721	2,687,721	-	-	-
Other receivables	23	-	3,072,398	3,072,398	-	-	-
Cash and bank balances	25	-	17,938,895	17,938,895	-	-	-
		14,557,699	23,741,409	38,299,108	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	26	-	(27,953,241)	(27,953,241)	-	-	-
Other liabilities	27	-	(2,089,190)	(2,089,190)	-	-	-
Lease liability	29	-	(3,422,042)	(3,422,042)	-	-	-
Unpaid dividend	30	-	(8,141,160)	(8,141,160)	-	-	-
Unclaimed dividend		-	(105,081)	(105,081)	-	-	-
		-	(41,710,714)	(41,710,714)	-	-	-

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

36.2 Financial risk management

The Group has exposure to the following risks from financial instruments:
- credit risk
- liquidity risk
- market risk

36.2.1 Financial risk management framework

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Risk management is carried out by the Treasury Committee (the Committee) under policies approved by the board of directors (the Board). The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

36.2.2Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade debts, other receivables, deposits with banks and investment in treasury bills issued by the Government of Pakistan. The carrying amount of financial assets represents the maximum credit exposure.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

Financial assets amounting to Rs. 17,368 million (2023: Rs. 38,299 million) do not include any amounts which are past due or impaired. The table below shows bank balances held with counterparties at the reporting date.

Counterparty	Rating		Rating	2024	2023
	Short term	Long term	Agency	Rs. '000	Rs. '000
Cash at bank:					
Standard Chartered Bank	A1+	AAA	PACRA	**4,164,155**	7,831,751
MCB Bank Ltd	A1+	AAA	PACRA	**4,065,485**	3,582,618
Deutsche Bank AG	A-1	A	S&P	**2,181,632**	4,472,797
Habib Bank Ltd	A-1+	AAA	VIS	**1,644,829**	748,766
MCB Islamic Bank	A1	A+	PACRA	**322,194**	320,622
Habib Metropolitan Bank Ltd	A1+	AA+	PACRA	**259,806**	228,984
Bank Alfalah Limited	A1+	AAA	PACRA	**253,070**	253,511
Soneri Bank Limited	A1+	AA-	PACRA	**206,001**	205,136
United Bank Limited	A-1+	AAA	VIS	**200,453**	500
Citibank N.A.	P-1	Aa3	Moody's	**3,500**	10,858
National Bank of Pakistan	A1+	AAA	PACRA	**1,629**	283,352
				13,302,754	17,938,895
Short term investments:					
Government of Pakistan		Caa2	Moody's	**-**	14,557,699
				13,302,754	32,496,594

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
	Carrying amount	
Pakistan	**14,013,551**	33,234,449
United Kingdom	**225,211**	147,462
Asia & other	**3,129,439**	4,917,197
	17,368,201	38,299,108
As at 31 December 2024, the ageing of financial assets was as follows:		
Not due	**13,753,553**	38,184,800
1-30 days	**2,770,217**	81,623
31-90 days	**18,868**	24,629
90 days	**825,563**	8,056
	17,368,201	38,299,108

36.2.3Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking to the Group's reputation.
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of the netting arrangements:

	Carrying amount	Contractual cash flows		
		Total	12 months or less	1 to 5 years
31 December 2024	**(Rs. '000)**		**(Rs. '000)**	
Financial liabilities				
Trade and other payables	**15,897,650**	**(15,897,650)**	**(15,897,650)**	**-**
Other liabilities	**2,741,079**	**(2,741,079)**	**(2,741,079)**	**-**
Lease liability	**3,881,394**	**(3,881,394)**	**(719,693)**	**(3,161,701)**
Unpaid dividend	**142,980**	**(142,980)**	**(142,980)**	**-**
Unclaimed dividend	**133,968**	**(133,968)**	**(133,968)**	**-**
	22,797,071	**(22,797,071)**	**(19,635,370)**	**(3,161,701)**
31 December 2023				
Financial liabilities				
Trade and other payables	27,953,241	(27,953,241)	(27,953,241)	-
Other liabilities	2,089,190	(2,089,190)	(2,089,190)	-
Lease liability	3,422,042	(3,422,042)	(852,765)	(2,569,277)
Unpaid dividend	8,141,160	(8,141,160)	(8,141,160)	-
Unclaimed dividend	105,081	(105,081)	(105,081)	-
	41,710,714	**(41,710,714)**	**(39,141,437)**	**(2,569,277)**

Cash flows included in the maturity analysis are not expected to occur significantly earlier or at significantly different amounts.

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36.2.4Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Group's exposure resulting from outstanding payments on account of import of goods and services. The currencies in which these transactions are primarily denominated are euro, sterling and US dollars.

The summary quantitative data about the Group's exposure to currency risk is as follows:

	31 December 2024			31 December 2023		
	Euro	Sterling	US dollars	Euro	Sterling	US dollars
Other receivables	69,599	8,114,569	-	-	1,302,121	10,191,468
Cash and bank balances	-	-	11,673,990	-	-	7,263,160
Trade and other payables	(3,443,448)	(2,003,747)	(19,067,300)	(2,835,094)	(6,435,608)	(32,964,306)
Net exposure	(3,373,849)	6,110,822	(7,393,309)	(2,835,094)	(5,133,487)	(15,509,678)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	Dec 2024	Dec 2023	Dec 2024	Dec 2023
Euro 1	301.45	303.21	288.26	310.54
Sterling 1	356.10	348.83	348.64	358.38
US dollar 1	278.60	280.37	278.38	281.13

A 10 percent strengthening (weakening) of the Rupee against euro, sterling and US dollar at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening Rs. '000	Weakening Rs. '000	Strengthening Rs. '000	Weakening Rs. '000
31 December 2024				
Euro 1	**97,254**	(97,254)	**69,050**	(69,050)
Sterling 1	**(213,046)**	213,046	**(151,262)**	151,262
US dollar 1	**205,811**	(205,811)	**146,126**	(146,126)
31 December 2023				
Euro	**88,042**	(88,042)	**62,510**	(62,510)
Sterling	**183,973**	(183,973)	**130,621**	(130,621)
US dollar	**436,016**	(436,016)	**309,571**	(309,571)

Interest rate risk
This represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to fair value interest rate risk as it does not hold any fixed rate instruments. The Group does not have any significant long-term interest-bearing financial assets or financial liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial liabilities include balances of Rs. 3,881,394 thousand (2023: Rs. 3,422,042 thousand) which are subject to interest rate risk. Applicable interest rates for these financial liabilities have been indicated in respective notes.

At statement of financial position date, if interest rates had been 1% higher/lower, with all other variables remain constant, profit for the year would have been Rs. 38.814 million (2023: Rs. 34.220 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

37 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to Chief Executive, Executive Directors and executives are as follows:-

	Chief Executive		Executive Directors		Executives				Total	
					Key management Personnel		Other Executives			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Managerial remuneration	**174,383**	157,124	**52,717**	141,218	**272,781**	356,865	**1,328,275**	1,037,724	**1,828,156**	1,692,931
Corporate bonus	**54,245**	46,048	**60,693**	50,732	**158,637**	125,981	**462,603**	274,825	**736,178**	497,586
Leave fare assistance	**2,908**	1,927	**5,576**	9,558	**27,973**	13,623	**-**	-	**36,457**	25,108
Housing and utilities	**33,727**	24,999	**22,002**	18,977	**78,508**	70,481	**555,809**	413,567	**690,046**	528,024
Medical expenses	**-**	-	**3,200**	6,743	**8,948**	10,043	**102,331**	97,605	**114,479**	114,391
Post employment benefits	**3,486**	2,466	**16,004**	10,843	**47,398**	37,994	**397,089**	306,383	**463,977**	357,686
	268,749	232,564	**160,192**	238,071	**594,245**	614,987	**2,846,107**	2,130,104	**3,869,293**	3,215,726
Number of persons	**1**	1	**2**	2	**12**	11	**424**	359	**439**	373

37.1 The Group, in certain cases, also provides individuals with the use of Company accommodation, cars and household items, in accordance with their entitlements.

37.2 The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to nine (2023: nine) non-executive directors of the Group amounted to Rs. 15,319 thousand (2023: Rs. 14,376 thousand).

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38 Transactions with related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (2023: 94.34%) shares of the Company at the year end. 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, major shareholders, key management personnel, employee funds and the entities over which the directors are able to exercise significant influence. The amounts due from and due to these undertakings are shown under receivables and payables under note 23 and 26 and Free of cost services and exempted recharges as disclosed in note 34. The remuneration of the chief executive, directors, key management personnel and executives is given in note 37 to the financial statements. Transactions with employee funds and associated payable/receivable balances are provided in note 32 to the financial statements.

	2024 Rs. '000	2023 Rs. '000
Procurement of goods and services from:		
Holding Company	**(1,609,544)**	86,623
Associated companies	**1,814,210**	11,431,011
Sale of goods to:		
Associated companies	**7,642,494**	7,255,952
Dividend declared:		
Holding Company	**30,131,893**	7,713,765
Associated companies	**99,785**	25,545
Royalty charged by:		
Holding Company	**(770,845)**	-
Associated Company	**(85,383)**	-
Expenses reimbursed to:		
Holding Company	**-**	3,978
Associated companies	**61,335**	12,209
Expenses reimbursed by:		
Associated companies	**337,274**	2,265,691
Payment under employee incentive schemes:		
Key management personnel	**58,068**	73,948
Export of services		
Associated companies	**-**	376,128

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38.1 Following are the names of associated companies, related parties and associated undertakings with whom the Group had entered into transactions or had agreements and arrangements in place during the year. Names of associated companies, related parties and associated undertakings, incorporated outside Pakistan are included in note 38.2.

Associated companies / related parties and associated undertakings	Basis of relationship	Aggregate % of Shareholding
BAT SAA Services (Private) Limited	Common Directorship	Nil
Retirement benefit funds:		
Pension Funds	Post employment benefits	Nil
Provident Funds	Post employment benefits	Nil
Gratuity Funds	Post employment benefits	Nil
Zafar Mahmood	Director	0.000196%
Syed Ali Akbar	Director	0.000978%
Syed Muhammad Ali Abrar	Director	0.000978%
Syed Asad Ali Shah	Director	0.000196%
Nasir Mahmood Khan Khosa	Director	0.000025%
Wael Sabra	Director	0.000196%
Belinda Ross	Director	0.000196%
Asif Jooma	Director	0.000196%
Mohammad Riaz	Director	0.000196%
Lt. Gen. Najib Ullah Khan (R)	Director	0.000196%
Gary Tarrant	Director	0.000196%
Faisal Saif	Director	0.000196%
Sami Zaman	Key management personnel	Nil
Uzair Qazi	Key management personnel	Nil
Faiza Imtiaz	Key management personnel	Nil
Usman Azam	Key management personnel	Nil
Rodrigo Nunes	Key management personnel	Nil
Habib Aoun	Key management personnel	Nil
Zain Mughal	Key management personnel	Nil
Muhammad Ali	Key management personnel	Nil
Mustafa Sherdil	Key management personnel	Nil
Imad Ud-din Muhammad	Key management personnel	Nil
Bushra Rahman	Key management personnel	Nil
Mir Faraz	Key management personnel	Nil

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38.2 Following particulars relate to associated companies incorporated outside Pakistan with whom th e Group had entered into transactions during the year or have arrangement / agreement in place.

Associated Company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
British American Tobacco p.l.c.	Ultimate Parent Company	0.00%	United Kingdom
BAT (Investments) Limited	Holding Company	94.34%	United Kingdom
BAT Rothmans International	Holding Company	0.31%	United Kingdom
BAT Exports Limited	Fellow Subsidiary	0.00%	United Kingdom
Ceylon Tobacco Company p.l.c.	Fellow Subsidiary	0.00%	Sri Lanka
British American Tobacco Myanmar Limited	Fellow Subsidiary	0.00%	Myanmar
British American Tobacco Argentina	Fellow Subsidiary	0.00%	Argentina
British American Tobacco Australia	Fellow Subsidiary	0.00%	Australia
BAT Bangladesh Company Limited	Fellow Subsidiary	0.00%	Bangladesh
Souza Cruz Ltd.	Fellow Subsidiary	0.00%	Brazil
BAT Switzerland SA	Fellow Subsidiary	0.00%	Swiztzerland
British American Tobacco Chile Operaciones SA	Fellow Subsidiary	0.00%	Chile
BAT Germany GmbH	Fellow Subsidiary	0.00%	Germany
BAT (Brands) Limited	Fellow Subsidiary	0.00%	United Kingdom
Benson & Hedges (Overseas) Limited	Fellow Subsidiary	0.00%	United Kingdom
BAT (Holdings) Limited	Fellow Subsidiary	0.00%	United Kingdom
BASS (GSD) Limited	Fellow Subsidiary	0.00%	United Kingdom
British American Tobacco (GLP) Limited	Fellow Subsidiary	0.00%	United Kingdom
Nicoventures Trading Ltd.	Fellow Subsidiary	0.00%	United Kingdom
British American Tobacco Asia Pacific Region Ltd.	Fellow Subsidiary	0.00%	Hong Kong
British American Tobacco Co. (HK) Ltd	Fellow Subsidiary	0.00%	Hong Kong
British American Tobacco GTR Ltd	Fellow Subsidiary	0.00%	Hong Kong
NICO HK Co. Ltd.	Fellow Subsidiary	0.00%	Hong Kong
Fielder & Lundgren AB	Fellow Subsidiary	0.00%	Sweden
BAT Pecsi Dohanygyar KFT	Fellow Subsidiary	0.00%	Hungary
British American Tobacco Kenya Ltd	Fellow Subsidiary	0.00%	Kenya
BAT Korea Ltd.	Fellow Subsidiary	0.00%	South Korea
BAT Korea Manufacturing Ltd.	Fellow Subsidiary	0.00%	South Korea
British American Tobacco Mexico SA de CV	Fellow Subsidiary	0.00%	Mexico
BAT AsPac Service Centre Sdn Bhd	Fellow Subsidiary	0.00%	Malaysia
BAT GSD (KL) Sdn Bhd.	Fellow Subsidiary	0.00%	Malaysia
BAT Nigeria Ltd.	Fellow Subsidiary	0.00%	Nigeria

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

Associated Company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
BAT Marketing Nigeria Ltd.	Fellow Subsidiary	0.00%	Nigeria
British American Tobacco Niemeyer	Fellow Subsidiary	0.00%	Netherlands
British-American Tobacco Polska S.A	Fellow Subsidiary	0.00%	Poland
BAT Investment (Romania) SRL	Fellow Subsidiary	0.00%	Romania
BAT (Romania) Trading SRL.	Fellow Subsidiary	0.00%	Romania
BASS Europe SRL.	Fellow Subsidiary	0.00%	Romania
British-American Tobacco (Singapore) Pte Ltd	Fellow Subsidiary	0.00%	Singapore
BAT Marketing (Singapore) Pte Ltd.	Fellow Subsidiary	0.00%	Singapore
British American Tobacco Tutun Mamulleri	Fellow Subsidiary	0.00%	Turkey
TDR D.O.O	Fellow Subsidiary	0.00%	Croatia
HR Vatski Duhani D.D.	Fellow Subsidiary	0.00%	Croatia
West Indian Tobacco Co. Ltd.	Fellow Subsidiary	0.00%	Trinidad & Tobago
PJSC A/T B.A.T Prilucky Tobacco Co.	Fellow Subsidiary	0.00%	Ukraine
R J Reynolds Tobacco Company	Fellow Subsidiary	0.00%	United States
British American Tobacco South Africa (Pty) Ltd.	Fellow Subsidiary	0.00%	South Africa
British American Tobacco ME DMCC	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Middle East for Trading	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Saudia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
BAT Arabia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
BAT GCC DMCC	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Middle East DMCC	Fellow Subsidiary	0.00%	United Arab Emirates
BAT Qatar LLC	Fellow Subsidiary	0.00%	Qatar
BAT Gulf for Trading LLC	Fellow Subsidiary	0.00%	Qatar
BAT Middle East S.P.C.	Fellow Subsidiary	0.00%	Bahrain
British American Tobacco Jordan	Fellow Subsidiary	0.00%	Jordan
BAT Egypt Ltd.	Fellow Subsidiary	0.00%	Egypt
Central Manufacturing Company Ltd.	Fellow Subsidiary	0.00%	Fiji
PT Bentoel International Investama	Fellow Subsidiary	0.00%	Indonesia
PT Bentoel International Prima	Fellow Subsidiary	0.00%	Indonesia
PT Export Leaf	Fellow Subsidiary	0.00%	Indonesia
British American Tobacco (Malaysia)	Fellow Subsidiary	0.00%	Malaysia
Tobacco Importers and Manufacturers	Fellow Subsidiary	0.00%	Malaysia

For The Year Ended December 31, 2024

Associated Company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
British American Tobacco Japan Ltd.	Fellow Subsidiary	0.00%	Japan
British American Tobacco (PNG) Ltd.	Fellow Subsidiary	0.00%	Papua New Guinea
British American Tobacco Vranje AD	Fellow Subsidiary	0.00%	Serbia
BAT Services Ltd., Taiwan Branch	Fellow Subsidiary	0.00%	Taiwan
Tabacalera Hondurena S.A.	Fellow Subsidiary	0.00%	Honduras
RAI Services Company	Fellow Subsidiary	0.00%	United States
Solomon Islands Tobacco Co. Ltd.	Fellow Subsidiary	0.00%	Solomon Islands
BAT Trieste S.p.A.	Fellow Subsidiary	0.00%	Italy
British American Tobacco (Cambodia)	Fellow Subsidiary	0.00%	Cambodia

For The Year Ended December 31, 2024

	2024 Rs. '000	2023 Rs. '000
39 Cash generated from operations		
Profit before taxation	**49,499,561**	50,012,456
Adjustment for non-cash items:		
- Depreciation / impairment	**2,245,033**	2,152,964
- Gain on disposal of property, plant and equipment	**(218,074)**	(106,142)
- Finance cost	**850,989**	617,945
- Finance income	**(6,325,660)**	(7,183,870)
- Foreign exchange loss	**423,549**	1,505,153
- Provision for stock-in-trade	**742,503**	199,435
- Provision for staff retirement benefit plans	**560,300**	448,684
- Information technology cost	**2,767,019**	3,545,883
	1,045,659	1,180,052
Changes in working capital:		
- Stock-in-trade	**(2,596,305)**	(21,966,416)
- Stores and spares	**(78,562)**	(69,943)
- Trade debts	**2,684,357**	(2,684,845)
- Loans and advances	**372,790**	186,376
- Short term prepayments	**(56,683)**	(80,755)
- Other receivables	**(1,205,357)**	537,511
- Trade and other payables	**(8,780,338)**	10,953,598
- Other liabilities	**651,889**	(2,003,791)
	(9,008,209)	(15,128,265)
Changes in long term deposits and prepayments	**14,500**	(18,791)
	41,551,511	36,045,452

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

40 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			
	Unclaimed / Unpaid Dividend	**Lease liability**	**Short term running finance / export refinance**	**Total**
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**
Balance at January 1, 2024	**8,246,241**	**3,422,042**	**-**	**11,668,283**
Changes from financing cash flows:				
Finance Lease payments	**-**	**(1,783,490)**	**-**	**(1,783,490)**
Additions during the year	**-**	**-**	**-**	**-**
Dividend paid	**(39,906,017)**	**-**	**-**	**(39,906,017)**
Total changes from financing cash flows	**(39,906,017)**	**(1,783,490)**	**-**	**(41,689,507)**
Other changes:				
New leases	**-**	**1,686,841**	**-**	**1,686,841**
Retirements	**-**	**(200,403)**	**-**	**(200,403)**
Export refinancing	**-**	**-**	**-**	**-**
Interest charge	**-**	**756,404**	**-**	**756,404**
Dividend declared	**31,936,724**	**-**	**-**	**31,936,724**
Total equity-related other changes	**-**	**-**	**-**	**-**
Balance at December 31, 2024	**276,948**	**3,881,394**	**-**	**4,158,342**

	Liabilities			
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at January 1, 2023	5,497,459	1,737,866	2,300,000	9,535,325
Changes from financing cash flows:	-	(1,478,826)	-	(1,478,826)
Additions during the year	-	-	-	-
Dividend paid	(5,427,019)	-	-	(5,427,019)
Total changes from financing cash flows	(5,427,019)	(1,478,826)	-	(6,905,845)
Other changes:				
New leases	-	2,846,195	-	2,846,195
Retirements	-	(147,317)	-	(147,317)
Export refinancing	-	-	(2,300,000)	(2,300,000)
Interest charge	-	464,124	-	464,124
Dividend declared	8,175,801	-	-	8,175,801
Total equity-related other changes	-	-	-	-
Balance at December 31, 2023	8,246,241	3,422,042	-	11,668,283

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

41 Events after the reporting date

In respect of the period ended December 31, 2024 final dividend of Rs. nil (2023: Rs. nil) per share amounting to a total dividend of Rs. nil (2023: Rs. nil) has been proposed at the Board of Directors meeting held on February 28, 2025. These financial statements do not reflect this proposed dividend.

42 Corresponding figures

The following comparative figures have been reclassified in the current year. Impact of reclassification on the reported amounts has been disclosed below.

	As previously reported	Reclassification	As reported now
December 31, 2024		Rs '000	
Statement of profit or loss			
Other operating expenses			
Bank charges and fees	67,946	(67,946)	-
Foreign exchange loss	1,505,153	(1,505,153)	-
Income tax	17,573,847	(111,451)	17,462,396
Finance cost			
Bank charges and fees	-	67,946	67,946
Foreign exchange loss	-	1,505,153	1,505,153
Final / minimum tax	-	111,451	111,451

The purpose of these reclassifications was to improve presentation and facilitate comparison, with no impact on profitability, net assets or equity.

The above reclassifications are not material in the context of overall financial statements, therefore a third balance sheet has not been presented.

43 General

43.1 Date of authorization for issue

These consolidated financial statements have been authorised for circulation to the shareholders by the Board of Directors of the Group on February 28, 2025.

Syed Ali Akbar – CEO

Syed Muhammad Ali Abrar – CFO/DIR.

Pattern of Shareholding

As at December 31, 2024

No. of Shareholders		Categories			Total Shares
1,643	From	1	To	100	48,098
1,135	From	101	To	500	315,618
344	From	501	To	1,000	243,976
233	From	1,001	To	5,000	485,390
28	From	5,001	To	10,000	201,843
12	From	10,001	To	15,000	142,143
6	From	15,001	To	20,000	108,302
7	From	20,001	To	25,000	161,775
2	From	25,001	To	30,000	54,663
3	From	30,001	To	35,000	98,978
2	From	35,001	To	40,000	75,307
1	From	40,001	To	45,000	44,402
1	From	45,001	To	50,000	50,000
1	From	50,001	To	55,000	50,850
2	From	55,001	To	60,000	114,390
1	From	60,001	To	65,000	60,961
1	From	70,001	To	75,000	71,000
1	From	75,001	To	80,000	80,000
1	From	80,001	To	85,000	84,299
1	From	95,001	To	100,000	100,000
1	From	120,001	To	125,000	121,426
2	From	165,001	To	170,000	335,714
1	From	200,001	To	205,000	200,470
1	From	230,001	To	235,000	231,181
1	From	240,001	To	245,000	240,280
1	From	355,001	To	360,000	357,321
1	From	385,001	To	390,000	389,480
1	From	405,001	To	410,000	405,752
1	From	720,001	To	725,000	725,000
1	From	795,001	To	800,000	798,282
1	From	1,755,001	To	1,760,000	1,755,873
1	From	1,885,001	To	1,890,000	1,885,555
1	From	4,410,001	To	4,415,000	4,410,322
1	From	241,045,001	To	241,050,000	241,045,141
3,440					255,493,792

Pattern of Shareholding

	No. of Shares
Associated Companies, Undertakings and Related Parties	241,843,423
NIT and ICP	515
Directors, CEO and their spouse and minor children	9,565
Executives	709
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance companies, Modaraba and Mutual Funds	5,830,745
Individuals	2,555,469
Others	5,253,366
	255,493,792

Categories of Shareholders

	Number	Shares Held	%
Directors, CEO and their spouse and minor children	12	9,565	0.0
Associated Companies, Undertakings and Related Parties	2	241,843,423	94.7
Investment Companies	1	515	0.0
Modarabas & Mutual Funds	12	2,402,227	0.9
Insurance Companies	4	805,472	0.3
Banks, Development and other Financial Institutions	9	2,623,046	1.0
Individuals	3,339	2,556,178	1.0
Others	61	5,253,366	2.1
Total	**3,440**	**255,493,792**	**100.0**

	No. of Shares
Associated Companies, Undertakings and Related Parties	
British American Tobacco (Investments) Limited	241,045,141
Rothmans International	798,282
NIT and ICP (name wise details)	
National Bank of Pakistan	515
Directors, CEO and their spouse and minor children (name wise details)	
Zafar Mahmood	500
Syed Ali Akbar	2,500
Syed Asad Ali Shah	500
Syed Muhammad Ali Abrar	2,500
Wael Sabra	500
Nasir Mahmood Khan Khosa	65
Faisal Saif	500
Asif Jooma	500
Mohammad Riaz	500
Lt. Gen. Najib Ullah Khan (R)	500
Belinda Ross	500
Gary Tarrant	500
Shareholders holding 10% or more voting interest	
British American Tobacco (Investments) Limited	241,045,141

شیئر ہولڈنگ کا پیٹرن

ہماری ہولڈنگ کمپنی، برٹش امریکن ٹوبیکو (انویسٹمنٹس) لمیٹڈ (BAT-IL)، جو کہ برطانیہ میں رجسٹرڈ ہے، سال کے اختتام پر کمپنی کے 94.34% شیئرز کی مالک ہے۔ باقی شیئر ہولڈنگ مختلف اداروں اور عام عوام میں تقسیم ہے۔ 31 دسمبر 2024 تک شیئر ہولڈنگ کے پیٹرن کا ایک گوشوارہ کمپنیز ایکٹ کے تقاضوں کے مطابق اس سالانہ رپورٹ میں علیحدہ سے فراہم کر دیا گیا ہے۔

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے شیئرز کی خرید و فروخت

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز میں کسی بھی قسم کی خرید و فروخت نہیں کی ہے۔

BCM کا جائزہ

سال 2024 میں پاکستان ٹوبیکو کمپنی لمیٹڈ (پی ٹی سی) کو ایک مشکل کاروباری ماحول کا سامنا رہا جو کہ معاشی عدم استحکام، بڑھتی ہوئی غیر قانونی تجارت، سیاسی عدم استحکام اور سپلائی چین کی رکاوٹوں سے عبارت تھا۔ ان عوامل نے مضبوط بزنس کنٹینیوٹی اور مضبوط رسک مینجمنٹ کی ضرورت کو اجاگر کیا۔

پی ٹی سی نے کاروباری تسلسل کو یقینی بنانے کے لیے ایک جامع فریم ورک اپنایا ہے جس کے تحت تمام اہم شعبوں میں ممکنہ خطرات کی نشاندہی کی گئی ہے۔ پی ٹی سی نے اپنے تمام اہم مقامات کے لیے بزنس کنٹینیوٹی پلانز (BCP) کو باقاعدگی سے جانچا اور اپ ڈیٹ کیا تاکہ کسی بھی رکاوٹ کے دوران کاروباری سرگرمیاں بلا تعطل جاری رہ سکیں۔ اس کے علاوہ BCM کی ٹیمیں اور متعلقہ کمیٹیاں بروقت فیصلوں کے ذریعے بحران سے نمٹنے کی تیاری برقرار رکھتی ہیں۔

بین الاقوامی معیارات کے مطابق، پی ٹی سی BCM کو درج ذیل مقاصد کے حصول کا ذریعہ سمجھتی ہے:

- ☆ کسی بھی رکاوٹ کے لیے مکمل تیاری
- ☆ بحران کی موثر نگرانی اور بروقت ردعمل
- ☆ کاروباری سرگرمیوں کی جلد بحالی تاکہ نقصانات کم سے کم ہوں

پی ٹی سی کی توجہ BCM میں اعلیٰ معیار کے حصول پر مرکوز ہے۔ یہ ایک جامع طریقہ کار اور انتظامی معاملات کا احاطہ کرتا ہے جو رسک مینجمنٹ فریم ورک کے تحت ہوتا ہے۔ متعلقہ کنٹینیوٹی ٹیمیں اپنے متعلقہ شعبوں میں BCM کی نگرانی کرتی ہیں، جبکہ رسک اینڈ کنٹرول کمیٹی کمپنی میں مربوط اقدامات کو یقینی بناتی ہے۔ ہر سال ان پلانز کی جانچ کی جاتی ہے تاکہ اقدامات کی افادیت اور تیاری برقرار رکھی جا سکے۔

BCM پراسس کے فوائد سے کمپنی درج ذیل امور یقینی بناتی ہے:

- ☆ ملازمین، اثاثوں اور معلومات کا تحفظ یقینی بنانا اور کسی بھی رکاوٹ کی صورت میں جلد بحالی
عمل درآمد جاری ہے۔
- ☆ دیگر شعبوں سے رابطہ کاری اور ہنگامی صورتحال میں متعلقہ مقامی حکام اور اسٹیک ہولڈرز کے ساتھ تعلقات مضبوط اور باہمی تعاون کو بہتر بنایا جاتا ہے تاکہ کاروباری تسلسل کو یقینی بنایا جا سکے۔
- ☆ کمپنی اپنی ساکھ کا تحفظ کرتے ہوئے اور کسی بھی بحران کا مؤثر انداز سے مقابلہ کر سکتی ہے۔

سید علی اکبر
منیجنگ ڈائریکٹر اور سی ای او

ظفر محمود
چیئرمین

☆ ایسی ترجیحات پر بات چیت اور اتفاق کرنا جس میں مختصر اور طویل مدتی ترجیحات شامل کی جا سکیں۔

☆ عملی منصوبے پر اتفاق رائے قائم کرنا۔

چیئرمین ایک جامع اور مکمل جائزہ سالانہ بنیاد پر منعقد کرتا ہے جو تمام ڈائریکٹرز کو فراہم کیا جاتا ہے۔ جس میں ہر ڈائریکٹر نہ صرف اپنی بلکہ پورے بورڈ کی کارکردگی کا جائزہ لیتا ہے۔ آزادانہ اور منصفانہ جائزے کے لیے [illegible] کے ساتھ [illegible] ڈائریکٹرز کو شامل کرنے کے لیے اس جائزہ عمل کی نگرانی کمپنی سیکریٹری کرتا ہے۔ کمپنی سیکریٹری جوابات کو جمع کر کے ایک رپورٹ تیار کرتا ہے جس میں نتائج کا خلاصہ اور بہتری کے لیے سفارشات شامل ہوتی ہیں۔ یہ رپورٹ اگلے بورڈ اجلاس میں زیر بحث لائی جاتی ہے تاکہ بہتری کیلئے ایکشن پلان پر عمل کیا جا سکے اور بورڈ کی مجموعی کارکردگی کو مؤثر بنایا جا سکے۔

چیئرمین اور سی ای او کے عہدے

انتظامیہ اور گورننس کو برقرار رکھنے کے لیے بورڈ آف ڈائریکٹرز کے چیئرمین اور چیف ایگزیکٹو آفیسر کے عہدوں پر مختلف افراد فائز ہوتے ہیں، جن کے اختیارات اور ذمہ داریاں واضح طور پر متعین ہوتی ہیں۔

چیئرمین اور سی ای او کے اختیارات اور ذمہ داریاں

بورڈ نے چیئرمین اور سی ای او کے اختیارات اور ذمہ داریوں کو واضح طور پر متعین کیا ہے۔ چیئرمین بنیادی طور پر ایک رہنما اور سرپرست کے طور پر کام کرتا ہے، وہ بورڈ آف ڈائریکٹرز کے اجلاسوں کی صدارت کرتا ہے، آزادانہ اور مختلف نقطہ نظر کے ساتھ مؤثر طور پر فیصلے کرتا ہے۔ وہ بورڈ کی مجموعی ذمہ داریوں کی انجام دہی کا ذمہ دار ہوتا ہے۔

سی ای او کمپنی کا چیف ایگزیکٹو ہوتا ہے جو ادارے کے تمام شعبوں کی قیادت کرتا ہے اور کاروباری منصوبوں کے حصول کے لیے مؤثر طریقے سے اقدامات کو یقینی بناتا ہے۔ وہ روزمرہ امور کو سرانجام دیتا ہے۔ وہ کمپنی کے روزمرہ امور کا انتظام سنبھالتا ہے اور اس کی مجموعی اور طویل المدتی حکمت عملی کی تیاری، ترقی اور نفاذ کا ذمہ دار ہوتا ہے تاکہ شیئر ہولڈرز کی قدر میں اضافہ کیا جا سکے۔ سی ای او بورڈ سے رابطے میں رہتا ہے اور انتظامیہ کی جانب سے اس کے ساتھ معلومات کا تبادلہ کرتا ہے۔

بورڈ کے ذریعے سی ای او کی کارکردگی کا جائزہ

بورڈ سی ای او کی کارکردگی کا سالانہ جائزہ لیتا ہے جو مقررہ اہداف کے مطابق ہوتا ہے۔ سی ای او کی کارکردگی کا سالانہ بنیادوں پر جائزہ لیا جاتا ہے جو سالانہ کاروباری منصوبے کے اہداف اور اس کی دیگر بنیادی ذمہ داریوں کے تحت ذمہ داریوں پر مبنی ہوتا ہے۔

سال 2024 کی کارکردگی کاروباری منصوبے کے اہداف کے حصول اور حکمت عملی کی نگرانی کا حصہ

کی تکمیل سے ظاہر ہوتا ہے۔

شمولیت پر مناسب انتظامی عمل

شمولیت پر مناسب انتظامی عمل کمپنی کا اہم منصوبہ ہے کہ اس کے کمپنی کے مالی ڈھانچے میں شامل نئے ڈائریکٹرز کو اس عمل میں شامل کیا جائے اور کمپنی کے قانونی تقاضوں اور پالیسیوں سے آگاہ کیا جائے۔ کمپنی کے اہم امور پر ان کی واقفیت اور ان کی ذمہ داریوں سے آگاہ کیا جاتا ہے۔ اس منصوبے کے تحت کمپنی کے چیئرمین اور ڈائریکٹرز اپنے متعلقہ شعبوں کی کارکردگی کا جائزہ لیتے ہوئے ڈائریکٹرز کے ساتھ معلومات شیئر کرتے ہیں۔

ڈائریکٹرز کیلئے تربیتی پروگرام

پی ایس او کے ڈائریکٹرز کی تربیت سے متعلق قواعد و ضوابط کی تعمیل کو یقینی بنایا جاتا ہے۔ نصف سے زائد ڈائریکٹرز نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے منظور شدہ ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت سرٹیفکیشن حاصل کر لی ہے۔

گزشتہ سالانہ اجلاس عام

کمپنی کا 77 واں سالانہ اجلاس عام (AGM) مورخہ 24 اپریل 2024 کو منعقد ہوا۔ تمام شیئر ہولڈرز کو اجلاس میں شرکت کے لیے نوٹس بمع اجلاس کے ایجنڈے کے ساتھ اجلاس کے وقت اور مقام کے بارے میں بروقت بھیجے گئے۔ سالانہ اجلاس عام کے انعقاد کے لیے تمام ضروری قانونی تقاضے پورے کیے گئے تاکہ کمپنی کے شیئر ہولڈرز کو اجلاس میں مدعو کیا جا سکے۔

اجلاس کے دوران شیئر ہولڈرز اور سرمایہ کاروں نے مالیاتی گوشواروں اور دیگر قانونی تقاضوں کے تحت مختلف سوالات پوچھے۔ اجلاس میں کوئی ناخوشگوار واقعہ پیش نہیں آیا۔

آڈیٹرز

31 دسمبر 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈٹ مکمل کر لیا گیا ہے اور آڈیٹرز نے کمپنی کے مالیاتی گوشواروں اور مجموعی مالیاتی گوشواروں پر اپنی رپورٹ کے متعلق ہونے کے بیان پر اپنی آڈٹ رپورٹس جاری کر دی ہیں۔

آڈیٹرز میسرز [illegible] سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور انہوں نے پی ایس او کے آڈیٹرز کے طور پر اپنی خدمات جاری رکھنے کیلئے رضامندی کا اظہار کیا ہے۔ انہوں نے تصدیق کی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے تسلی بخش ریٹنگ حاصل ہوئی ہے اور وہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کے رہنما اصولوں پر جو ICAP نے اپنائے ہیں عمل کرتے ہیں۔ بورڈ آڈٹ کمیٹی کی سفارش پر 31 دسمبر 2025 کو ختم ہونے والے مالی سال کے لیے ان کی تقرری کی تجویز پیش کرتا ہے جو 24 اپریل 2025 کو منعقد ہونے والے کمپنی کے اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہوگی۔

بورڈ کے اجلاس

موجودہ کوڈ آف کارپوریٹ گورننس کے تحت بورڈ (1) [illegible] ہر سہ ماہی میں کم از کم ایک اجلاس منعقد کرنے کا پابند ہے تاکہ کمپنی کی کارکردگی کا جائزہ لیا جا سکے۔ اس کے علاوہ سال بھر میں اہم امور پر تبادلہ خیال کرنے کے لیے خصوصی اجلاس بھی منعقد کیے جاتے ہیں۔ سال 2024 میں بورڈ کے سات (7) اجلاس منعقد ہوئے جن میں سے پہلا اجلاس 29 فروری 2024 کو منعقد کیا گیا۔

اجلاسوں کی تاریخوں سے ممبران کو بروقت مطلع کیا گیا اور [illegible] ایجنڈا اور متعلقہ دستاویزات فراہم کی گئیں۔ سال کے دوران منعقد ہونے والے تمام بورڈ اجلاسوں میں حاضری کی تفصیل درج ذیل ہے۔ [illegible] بورڈ کے اجلاسوں میں [illegible] تمام فیصلے [illegible] اجلاس کے منٹس [illegible] ڈائریکٹرز کو منظوری کے لیے ارسال کیے گئے۔ [illegible] بعد میں منعقد ہونے والے بورڈ اجلاس میں باضابطہ طور پر منظور کر لیا گیا۔

ممبران	حاضری
ظفر مسعود چیئرمین	7/7
سید علی [illegible] چیف ایگزیکٹو آفیسر [illegible]	7/7
سید اسد علی [illegible] ڈائریکٹر [illegible]	5/7
سید محمد علی [illegible] ڈائریکٹر [illegible]	7/7
[illegible] نان ایگزیکٹو ڈائریکٹر	5/7
محمد [illegible] آزاد ڈائریکٹر	7/7
آصف [illegible] آزاد ڈائریکٹر	7/7
[illegible] نان ایگزیکٹو ڈائریکٹر	4/7
[illegible] نان ایگزیکٹو ڈائریکٹر (16-10-2014 کو مستعفی ہوئے)	3/7
لیفٹیننٹ جنرل (ریٹائرڈ) [illegible] خان آزاد ڈائریکٹر	7/7
[illegible] نان ایگزیکٹو ڈائریکٹر	3/7
[illegible] نان ایگزیکٹو ڈائریکٹر	6/7
[illegible] نان ایگزیکٹو ڈائریکٹر (17-10-2024 کو مستعفی ہوئے)	2/7

پاکستان سے باہر منعقدہ اجلاس

سال 2024 کے دوران [illegible] تمام بورڈ اجلاس پاکستان کے اندر ہی منعقد ہوئے۔

بورڈ کی کمیٹیاں

بورڈ کی [illegible] کمیٹیاں ہیں جو اس کی کارکردگی میں معاونت فراہم کرتی ہیں۔ [illegible] کمیٹی، آڈٹ کمیٹی، [illegible] کمیٹی [illegible] شامل ہیں۔ تمام بورڈ کمیٹیوں کی تفصیلات [illegible] اس رپورٹ میں علیحدہ سے فراہم کی گئی ہیں۔

ڈائریکٹرز کا معاوضہ

[illegible] کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق ڈائریکٹرز کے معاوضے کے تعین کے لیے ایک باضابطہ اور شفاف طریقہ کار موجود ہے۔ کسی بھی ڈائریکٹر کو اپنے معاوضے سے متعلق فیصلے میں شامل نہیں کیا جاتا۔

یہ معاوضے [illegible] کے تقاضوں کے مطابق منظور کیے جاتے ہیں [illegible] نان ایگزیکٹو ڈائریکٹرز کی [illegible] کی جاتی ہے۔

[illegible] ڈائریکٹرز [illegible] کے معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹ 38 میں دی گئی ہیں۔

بورڈ کی کارکردگی کا جائزہ

کمیٹی نے ایک جامع [illegible] وضع کیا ہے جو بورڈ [illegible] میں معاونت فراہم کرتا ہے:

- ☆ [illegible] سے کام کر رہے ہیں۔
- ☆ [illegible] کی نشاندہی کرنا۔

کارپوریٹ گورننس ریگولیشنز 2019 (سی سی جی) کے تحت کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تعمیل پر بیان درج ذیل ہے:

الف) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات، آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

ب) کمپنی کے کھاتوں کی کتابیں مناسب طور پر برقرار رکھی گئی ہیں۔

پ) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔

ت) پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔

ٹ) داخلی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور نگرانی کی جا رہی ہے۔

ث) کمپنی کی کام جاری رکھنے کی صلاحیت کے حوالے سے کوئی شک نہیں ہے۔

ج) کوڈ آف کارپوریٹ گورننس ریگولیشنز میں بیان کردہ بہترین طریقوں سے کوئی انحراف نہیں کیا گیا ہے۔

چ) کاروباری سرگرمیوں کے دوران قابل ادائیگی تمام اہم قانونی واجبات، جو 31 دسمبر 2024 تک واجب الادا تھے، مالیاتی گوشواروں کے نوٹس میں ظاہر کیے گئے ہیں۔

ح) کمپنی کی سالانہ رپورٹ میں گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ پیش کیا گیا ہے۔

خ) سال 31 دسمبر 2024 کے اختتام پر ملازمین کے ریٹائرمنٹ فنڈز میں سرمایہ کاری کی ویلیو درج ذیل ہے، جو تصدیق شدہ مالیاتی گوشواروں کے مطابق 31 دسمبر میں فراہم کی گئی ہیں۔

	روپے (ملین میں)
پراویڈنٹ فنڈ	9,358
ملازمین کا گریجویٹی فنڈ	2,167
مینجمنٹ پنشن فنڈ	1,343
ملازمین پنشن فنڈ	706
منظور شدہ کنٹری بیوٹری پنشن فنڈ	2,020

بورڈ کی تشکیل

بورڈ کل 12 ڈائریکٹرز پر مشتمل ہے جن میں سے 4 آزاد ڈائریکٹرز، 5 نان ایگزیکٹو ڈائریکٹرز اور 3 ایگزیکٹو ڈائریکٹرز شامل ہیں۔ بورڈ کی موجودہ تشکیل درج ذیل ہے:

	ڈائریکٹرز کی تعداد
مرد ڈائریکٹرز	11
خاتون ڈائریکٹرز	1
آزاد ڈائریکٹرز	4
مسٹر ظفر محمود (چیئرمین)	
لیفٹیننٹ جنرل (ریٹائرڈ) حبیب اللہ خان	
مسٹر محمد ریاض	
مسٹر آصف جمعہ	
نان ایگزیکٹو ڈائریکٹرز	5
مسٹر عامر محمود خان گھمن	
محترمہ عائشہ عزیز	
مسٹر گل ولی خان	
مسٹر ناصر علی	
مسٹر فیصل یوسف	
ایگزیکٹو ڈائریکٹرز	3
مسٹر سید علی اکبر	
مسٹر سید سہیل شاہ	
مسٹر سید علی ابرار	

ریگولیٹری تقاضوں کے مطابق، بورڈ میں خواتین کی نمائندگی موجود ہے۔
بورڈ کی کارکردگی اس کے ارکان کی متنوع مہارت اور تجربے سے مستفید ہوتی ہے جس سے مؤثر نگرانی ہوتی ہے۔ ارکان مالیاتی معاملات میں وسیع تجربہ رکھتے ہیں، جن کے پیشہ ورانہ تعلیمی اور بین الاقوامی تجربے کا امتزاج ہے۔ پی ایس او بورڈ آف ڈائریکٹرز کی تشکیل اور خود مختاری سے متعلق تمام ریگولیٹری تقاضوں پر عمل پیرا ہے۔

ڈائریکٹرز کے نام، حیثیت (آزاد، نان ایگزیکٹو، ایگزیکٹو) اور بورڈ کمیٹیوں کی رکنیت سمیت ڈائریکٹر شپ سے متعلق تفصیلی معلومات سالانہ رپورٹ میں علیحدہ فراہم کی گئی ہیں۔ ڈائریکٹرشپ کی حیثیت (آزاد، نان ایگزیکٹو، ایگزیکٹو) کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان میں بھی درج ہے۔

بورڈ میں تبدیلیاں

بورڈ میں سال کے دوران درج ذیل تبدیلیاں عمل میں آئیں:

i. عثمان محمود نے مورخہ 16-10-2024 کو بطور ڈائریکٹر استعفیٰ دیا جس پر مورخہ 17-10-2024 کو عامر محمود خان گھمن کو ڈائریکٹر مقرر کیا گیا۔

جائے گا اور ساتھ ہی موثر تشہیری مہم کے ذریعے پروڈکٹ کی زیادہ سے زیادہ آگاہی پیدا کی جائے گی جو صارفین سے رابطے کیلئے موثر ہوگی۔ ایک کثیر جہتی حکمت عملی کمپنی کیلئے منصوبہ بندی کو برقرار رکھنے میں مددگار ہوگی۔ اس سے ہم اپنے کاروباری مقاصد کو مسلسل ایک قدم آگے بڑھتے ہوئے مارکیٹ کی قیادت کو برقرار رکھ سکیں گے۔ اس حکمت عملی کو اپناتے ہوئے کمپنی ہاؤسنگ مارکیٹ کے شعبے میں اپنی قیادت کو برقرار رکھنے اور مجموعی صنعت میں اپنے شیئرز کی حصہ داری کے لیے بہترین پوزیشن میں ہوگی۔

غیر ملکی کرنسی تک مناسب رسائی کو برقرار رکھنا

آئی ایم ایف پروگرام اور دوست ممالک کی معاونت کے باعث ملکی غیر ملکی کرنسی کے ذخائر میں اضافہ ہوا ہے مگر اس کے باوجود غیر ملکی کرنسی کی دستیابی اب بھی ایک مسئلہ ہے۔ کمپنی کے لیے یہ ضروری ہے کہ وہ اپنے غیر ملکی کرنسی کے واجبات بروقت اور آزادانہ طور پر ادا کرے اور اپنے شیئرز ہولڈرز کو منافع کی ادائیگی کرے۔

حکومت سے یہ توقع کی جاتی ہے کہ وہ مینوفیکچرنگ کے شعبے کے مسائل کو حل کرے گی اور شیئرز ہولڈرز کو منافع کی بروقت ادائیگی کی اجازت دے گی کیونکہ اس سے ملک میں غیر ملکی براہ راست سرمایہ کاری کو فروغ ملے گا۔ ہم امید کرتے ہیں کہ کمپنی اپنی صنعت میں شراکت داروں کے لیے درآمدات پر توجہ مرکوز رکھے گی اور بینکنگ انتظام میں ضروری غیر ملکی کرنسی کے ساتھ ساتھ پاکستان کے سب سے بڑے قابل کرداروں میں شامل ہو کر اپنا کردار ادا کرے گی۔

موثر وسائل کی تقسیم اور لاگت کے انتظام کو فروغ

کمپنی بلا تعطل سپلائی چین کے بارے میں مسلسل کام کر رہی ہے۔ جو اس کی لاگت کی بچت کو ممکن بنا رہی ہے۔ ہم انتظامی اخراجات کو کم کرنے اور شیئر ہولڈرز کو زیادہ سے زیادہ منافع پہنچانے کے لیے موثر اقدامات کرنے میں پرعزم ہیں۔

امید ہے کہ مقامی کرنسی مستحکم رہے گی اور اس کی قدر میں کوئی خاص کمی نہیں آئے گی۔ جس کے باعث لاگت میں اضافہ ہو سکتا ہے اور ہم اپنی پرائسنگ پر اثر سے بچ سکیں گے۔

کمپنی مستقبل میں کرنسی کی گراوٹ کے اثرات کو کم کرنے کے لیے بینکنگ تعلقات کو موثر انداز میں بروئے کار لاتے ہوئے سپلائرز کے واجبات بروقت ادا کرے گی اور مقامی وسائل کو فروغ دے گی۔

آپریٹنگ اور مینوفیکچرنگ کی استعداد میں اضافہ

ہماری کمپنی پیداواری عمل اور پیداواری استعداد کو بڑھانے کے لیے حکمت عملی پر کام کر رہی ہے۔ ہم جدید ترین آلات اور مشینری میں سرمایہ کاری کے لیے پرعزم ہیں۔ یہ سرمایہ کاری جدید اور اپ گریڈ شدہ مشینری میں کی جائے گی جو نہ صرف پیداوار کو فروغ دے گی بلکہ مستقبل میں مصنوعات کی بہتری میں بھی معاون ہوگی۔ جو کہ کمپنی کی مارکیٹ میں مسابقتی برتری برقرار رکھنے کے لیے ضروری ہے۔

کمپنی مارکیٹ کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے پہلے سے تیار ہے اور مستقبل کی پیداواری ضروریات کی تکمیل کے لیے مشینری میں سرمایہ کاری جاری رکھے گی۔

حفاظت، صحت اور ماحولیات پر مسلسل بہترین EH&S اقدامات، مسلسل تربیت اور طریقہ کار کے ذریعے ہم اپنے ملازمین کے لیے محفوظ کام کا ماحول یقینی بنایا جا سکے۔

ماحولیاتی تحفظ، سماجی بہبود اور گورننس (ESG)

ماحولیاتی تحفظ، سماجی بہبود اور گورننس پالیسی کمپنی کی حکمت عملی کا بنیادی جزو ہے۔ ہم پائیدار ترقی اور ذمہ دارانہ کاروباری طرز عمل کے لیے پرعزم ہیں۔ کمپنی کا مقصد ماحول پر منفی اثرات کو کم کرنا اور معاشرے کی بہتری میں اپنا کردار ادا کرنا ہے۔ ہم اپنے ESG اقدامات کے ذریعے پائیدار مستقبل کے لیے اپنی ذمہ داری کو مستحکم کر سکیں۔

انسانی وسائل پر سرمایہ کاری

کمپنی اپنے ملازمین کی صلاحیتوں اور مہارتوں میں اضافے کے لیے سرمایہ کاری کر رہی ہے۔ ہم ایک محفوظ اور مثبت کام کا ماحول فراہم کرنے کے لیے پرعزم ہیں جو ملازمین کی پیشہ ورانہ ترقی اور فلاح و بہبود کو فروغ دیتا ہے۔ کمپنی مستقبل میں بھی ملازمین کی تربیت اور ترقی کے پروگراموں پر سرمایہ کاری جاری رکھے گی۔

ہماری D&I اقدامات کا مقصد ایک متنوع اور جامع کام کی جگہ کو فروغ دینا ہے جو کمپنی کی طویل مدتی کامیابی کے لیے اہم قدم ہے۔

کارپوریٹ گورننس

کارپوریٹ گورننس کے تقاضوں کی پاسداری

ڈائریکٹرز تصدیق کرتے ہیں کہ کمپنی ریگولیٹری سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کوڈ آف

تحفظ میں 30 فیصد کردار ادا کر رہی ہیں۔ کمپنی نے 3.5 میگاواٹ کا [illegible] پارک نصب کیا ہے، جو BAT گروپ میں سب سے بڑا ہے۔ اس اقدام سے نہ صرف کمپنی کے کاربن اخراج میں 2,500 ٹن کی سالانہ کمی [illegible] ایک [illegible] کی علامت بھی ہے۔

پانی ایک قیمتی وسیلہ ہے اور اسی لیے پی ٹی سی نے اس کے مؤثر استعمال پر خاص توجہ دی ہے۔ کمپنی کی فیکٹریوں نے الائنس فار واٹر اسٹیورڈ شپ (AWS) سرٹیفیکیشن حاصل کر لی ہیں۔ [illegible] BAT گروپ میں [illegible] AWS [illegible] ہے۔ یہ صرف [illegible] بلکہ ماحولیاتی تحفظ کے عزم کو بھی اجاگر کرتا ہے۔

[illegible] پی ٹی سی [illegible] ایک [illegible] پائیدار مستقبل [illegible] کی ضمانت دیتا ہے۔

مارکیٹنگ کا جائزہ

سال 2024 کے دوران پی ٹی سی نے صارفین کی [illegible] Capstan by Pall Mall [illegible] 20.7% [illegible] (+0.1 pps vs SPLY) 90.1% [illegible]

کمپنی [illegible] VELO [illegible] 2024 [illegible] SPLY [illegible] 27% [illegible]

رسک مینجمنٹ اور داخلی کنٹرولز

ہمارا [illegible] داخلی کنٹرول سسٹم [illegible] پی ٹی سی کا رسک مینجمنٹ [illegible]

[illegible]

کمپنی [illegible] (SOX) [illegible]

مستقبل کا لائحہ عمل

مستقبل کی طرف دیکھتے ہوئے [illegible] 2025 [illegible]

ترقی کے ایجنڈا کی تکمیل

کمپنی [illegible]

[illegible]

کا ہے اور یہ اس شعبے کا منتظم کمپنی کی کاروباری اور حکمت عملی کے خطرات کو پورا کرنے کے لیے مالی وسائل کی دستیابی کو یقینی بنانا اور مالیاتی اہداف حاصل کرنا اور کمپنی کی سرگرمیوں سے وابستہ مالیاتی خطرات کو کم کرنا ہے۔ اس مقصد کے لیے مختلف پالیسیاں اور طریقہ کار وضع کیے گئے ہیں اور ان سے متعلق اہم امور بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کے سامنے پیش کیے جاتے ہیں اور بورڈ کی منظوری حاصل ہوتی ہے۔

منافع کی تقسیم اور محفوظ ذخائر کا تجزیہ

کمپنی نے سال کا آغاز 44.7 ارب روپے کے قابل تقسیم ذخائر کے ساتھ کیا۔ سال 2024 میں کمپنی نے 27.8 ارب روپے کا خالص منافع حاصل کیا اور فی حصص 125 روپے کے عبوری ڈیویڈنڈ کا اعلان کیا۔ سال کے اختتام پر کمپنی کے خالص ذخائر کی مالیت 40.8 ارب روپے رہی۔ تفصیلات ذیل میں دیے گئے جدول میں بیان کی گئی ہیں۔

	روپے (ملین میں)	روپے (فی شیئر)
افتتاحی ذخائر	44,718	
خالص منافع 2024	27,783	108.74
دیگر جامع آمدنی	247	
قابل تقسیم ذخائر	72,748	
عبوری ڈیویڈنڈ 2024	(31,937)	125.00
اختتامی ذخائر	40,812	

حتمی ڈیویڈنڈ

پی ٹی سی کے بورڈ آف ڈائریکٹرز نے 26 فروری 2025 کو منعقدہ اجلاس میں 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے شیئر ہولڈرز کی منظوری سے فی حصص 0 روپے حتمی ڈیویڈنڈ تجویز کیا (2023: 0 روپے فی حصص)۔ کمپنی نے 2024 کی دوران سال میں فی حصص 30 روپے، 30 روپے، 35 روپے اور 30 روپے کے عبوری ڈیویڈنڈ ادا کیے، جس کے نتیجے میں مجموعی عبوری ڈیویڈنڈ 125 روپے فی حصص رہا۔ حتمی ڈیویڈنڈ کی تجویز شیئر ہولڈرز کی منظوری سے مشروط ہے جو 24 اپریل 2025 کو منعقد ہونے والے سالانہ اجلاس عام میں دی جائے گی۔

مدغم شدہ مالیاتی گوشوارے اور شعبہ وار جائزہ

مدغم شدہ مالیاتی گوشوارے پاکستان ٹوبیکو کمپنی لمیٹڈ اور اس کی مکمل ملکیتی ذیلی کمپنی فلپس (پرائیویٹ) لمیٹڈ کی مجموعی کارکردگی کو ظاہر کرتے ہیں۔ ذیلی کمپنی غیر فعال ہے اور اس نے سال کے دوران کوئی تجارتی سرگرمی شروع نہیں کی۔

بعد کے ہونے والے واقعات کا جائزہ

اختتامی سال کے اختتام کے بعد اس رپورٹ کی تاریخ تک پیش آنے والے واقعات کا جائزہ لیا گیا ہے اور تصدیق کی گئی ہے کہ اس دوران کوئی اہم تبدیلیاں یا واقعات پیش نہیں آئے جو کمپنی کی مالی حیثیت پر اثر انداز ہوتے۔

آپریشنز کا جائزہ

پاکستان ٹوبیکو کمپنی لمیٹڈ (پی ٹی سی) کمپنی 1947 سے پاکستان میں کام کر رہی ہے اور ایک مکمل مربوط کاروباری نظام کے تحت کام کرتی ہے، جس میں دو جدید ترین فیکٹریاں اور BAT گروپ کی سب سے جدید آپریشنز میں سے ایک شامل ہیں۔ آپریشنز کے شعبے میں مسلسل بہتری کے عزم کا مظاہرہ کرتے ہوئے پی ٹی سی کی فیکٹریوں نے IWS کی 2 اسٹار سرٹیفیکیشن حاصل کی ہے، جس سے پی ٹی سی کی پیداواری صلاحیت اور معیار میں نمایاں بہتری آئی ہے۔ مزید برآں پی ٹی سی کی ایک فیکٹری (GLT) کو BAT گروپ میں پہلی ہے جس نے انٹیگریٹڈ ورک سسٹم (IWS) کے تحت 2 اسٹار سرٹیفیکیشن حاصل کی ہے، جو مینوفیکچرنگ کے شعبے میں اس کی مہارت کا ثبوت ہے۔

پی ٹی سی تمباکو کے معیاری ذخیرہ کو برقرار رکھنے کے لیے جہلم کے قریب ایک خصوصی فیکٹری چلاتی ہے، جہاں تمباکو کو ایک کنٹرول ماحول میں ذخیرہ کیا جاتا ہے۔ یہ فیکٹری BAT گروپ کے لیے ایشیا اور مشرق وسطیٰ کے خطے میں پتے کی ایک اہم سہولت ہے۔ یہ فیکٹری سپلائی چین کو مستحکم کرنے اور پی ٹی سی کو اضافی آمدنی فراہم کرتی ہے۔

سال 2024 کے دوران پی ٹی سی نے مختلف منصوبے شروع کیے جو اس کے پائیداری اور ماحولیاتی عزم کو ظاہر کرتے ہیں۔ ان منصوبوں میں HVAC کے ساتھ AI انٹیگریشن، ISO 50001 سرٹیفیکیشن اور توانائی کی بچت کرنے والے ایئر ہینڈلنگ یونٹس (AHUs) کی تنصیب شامل ہے، جس سے توانائی کی بچت اور کمپنی کے پائیداری کے اہداف کا حصول ممکن ہوا۔

پی ٹی سی مینوفیکچرنگ کے شعبے میں اپنی برتری برقرار رکھتے ہوئے اپنی تکنیکی مہارت کو BAT کے دیگر اداروں تک فراہم کر رہی ہے۔ 2024 میں کمپنی نے IWS کے نفاذ کے لیے BAT کی دیگر کمپنیوں کی معاونت کی۔ پی ٹی سی پائیدار ترقی کے لیے مقامی سپلائرز اور اصل آلات بنانے والوں (OEMs) کی معاونت کر رہی ہے اور ان کی ترقی میں اپنا کردار ادا کر رہی ہے۔

ماحولیاتی تحفظ، سماجی ذمہ داری اور گورننس (ESG) کا جائزہ

پی ٹی سی ESG حکمت عملی کے تحت اکوڑہ خٹک اور جہلم میں واقع کمپنی کی فیکٹریاں ماحولیاتی

[illegible] میں بہتری کا باعث ہے۔

پی ٹی سی [illegible]

[illegible]

	روپے ملین میں	
	مالی سال 2024	مالی سال 2023
مجموعی کاروبار (Gross Turnover)	355,507	315,844
فیڈرل ایکسائز ڈیوٹی اور سیلز ٹیکس (FED & Sales Tax)	234,429	205,912
خالص کاروبار (Net Turnover)	121,078	109,933
فروخت کی لاگت (Cost of Sales)	61,265	50,454
مجموعی منافع (Gross Profit)	59,813	59,479
آپریٹنگ منافع (Operating Profit)	44,448	45,020
قبل از ٹیکس منافع (Profit Before Tax - PBT)	49,500	50,012
بعد از ٹیکس منافع (Profit After Tax – PAT)	27,783	28,960
آمدنی فی حصص (Earnings Per Share - EPS (Rs.))	108.74	113.35

منافع و نقصان کا تجزیہ

کمپنی نے اپنے مجموعی کاروبار کا 72.7% (یعنی 258.5 ارب روپے) [illegible] 12.8% [illegible] 7.8% [illegible] 16.6% اور 4.3% پر مشتمل رہے۔

[illegible] 14.2% [illegible] سال 2024 میں 1.3 [illegible] 4.8 [illegible] 47 [illegible] 38 [illegible]

(ادائیگی) آمدنی [illegible] حاصل ہوا۔

مجموعی فروخت کی لاگت میں 21.4% اضافہ [illegible] 2023 [illegible] 3.3% [illegible] ہوئی۔

حکومت کو ادا شدہ حصہ	72.7%
سالانہ منافع	7.8%
خالص مالیاتی آمدنی	-1.4%
خالص آپریٹنگ اخراجات	4.3%
فروخت کی لاگت	16.6%

2024 میں خالص مالیاتی آمدنی میں 1.2% اضافہ [illegible] 2024 میں 22% [illegible] دسمبر 2024 تک کم ہو کر 13% رہ گئے۔

خالص پیداوار کے جائزے کا بیان

سال 2024 میں [illegible] 13.9% اضافہ [illegible] نتیجہ ہے۔

[illegible] 6% [illegible] ہوا۔

[illegible] 59.1% [illegible] (BAT) [illegible] 365 [illegible] 31.8% [illegible] آئی۔

ٹیکنالوجی کا انتظام

پی ٹی سی [illegible]

ریگولیٹری ماحول

2020 میں وزارت صحت کی جانب سے ... تمباکو نوشی کی ممانعت اور تمباکو کا استعمال کرنے والے افراد کی صحت کے تحفظ کے آرڈیننس 2002 کے تحت ... پر پابندی عائد کی گئی۔ ... ایف بی آر ... غیر قانونی ... مارکیٹ ... تمباکو ... غیر قانونی ... حکومت ... اقدامات اٹھانے کی ضرورت ہے۔

کمپنی کی کارکردگی

پاکستان ٹوبیکو کمپنی لمیٹڈ (پی ٹی سی) نے 2024 میں ... کمپنی نے 1.9% ... فیڈرل ایکسائز ڈیوٹی (FED) ... کارکردگی کا نتیجہ ہے۔

اس کارکردگی کے نتیجے میں مجموعی آمدن 355.9 ارب روپے ... 12.6% اضافہ ظاہر کرتا ہے ... 2024 میں ... 0.1 ... 80.1% تک پہنچ گیا۔

قومی خزانے میں ... پی ٹی سی نے 258.5 ارب روپے ... 229.3 ارب روپے کے مقابلے میں 12.8% اضافہ ظاہر کرتی ہیں ... 2023 ... 21.4% اضافہ ... 43.9% تک ...

... پاکستان ٹوبیکو کمپنی نے ... اقدامات اٹھائے گئے:

☆ پیداواری عمل ... کارکردگی میں بہتری لائی جائے۔

☆ تمباکو کی فصل کی پیداوار ... پایا جا سکے۔

☆ تجارت اور ترسیل کی حکمت عملیوں کا مشورہ دینا۔

☆ مارکیٹنگ ... کے اقدامات کو کم کرنا۔

ان اقدامات کے نتیجے میں پی ٹی سی نے ... کمپنی نے 27.8 ارب روپے کا بعد از ٹیکس منافع ... فی حصص آمدنی (EPS) 108.74 روپے ... 4.1% ... کی کارکردگی ... ہے۔

پی ٹی سی BAT گروپ کے ... BAT گروپ نے ریسرچ اینڈ ڈیولپمنٹ (R&D) میں ... 2024 میں 485 ملین ... VELO™ ... 2024 میں 27% اضافہ حاصل کیا ... پاکستان ...

پی ٹی سی ... 2024 میں کمپنی نے 36 ملین ... VELO™ ...

تجارتی کامیابی ... پی ٹی سی ... پاکستان ...

پی ٹی سی نے اپنے ... 1998 ... 16 کروڑ سے زائد ... (MOU) ... 2024 ... MOU ... 1,30,000 ...

پینے کے صاف پانی ... پی ٹی سی نے ... 26 ... 20,000 ...

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز پاکستان ٹوبیکو کمپنی لمیٹڈ (پی ٹی سی یا کمپنی) کی 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ بمعہ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

اقتصادی منظر نامہ

زیر جائزہ سال مشکلات اور بتدریج بحالی کے دوران کے امتزاج کا حامل رہا، جس سے کاروباری منظر نامہ اور صارفین کی قوت خرید دونوں متاثر ہوئے۔ 2023 میں جب زر مبادلہ کے ذخائر تاریخی کم ترین سطح پر آگئے تھے، 2024 میں اس کے برعکس ایک نمایاں بہتری دیکھنے میں آئی اور جون کے اختتام تک یہ ذخائر 9 ارب ڈالر سے تجاوز کر گئے اور سال کے اختتام پر 12 ارب ڈالر تک پہنچ گئے۔ پاکستانی روپیہ بھی مستحکم رہا، تاہم بلند شرح سود، زرمبادلہ کے منظم بہاؤ اور درآمدی پابندیوں کے باعث معیشت کو دباؤ کا سامنا رہا، جس سے زرمبادلہ کی شرح میں استحکام آیا اور سرمایہ کاری کے ماحول کو بہتر بنانے میں مدد ملی۔

مالیاتی اقدامات اور افراط زر کے حوالے سے اقتصادی اشاریوں پر نظر رکھتے ہوئے پاکستان کی معاشی صورتحال بہتری کی جانب گامزن رہی۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 13.0% تک کم کر دیا جو سال کے آغاز سے مجموعی طور پر 900 بیسس پوائنٹس کی کمی کو ظاہر کرتا ہے۔ سال 2024 میں مہنگائی کی شرح 28.3% سے کم ہو کر دسمبر میں 4.1% رہ گئی، جبکہ سالانہ کنزیومر پرائس انڈیکس (CPI) مہنگائی کی اوسط شرح 12.6% رہی، جو قیمتوں کے دباؤ میں نمایاں کمی کی عکاسی کرتی ہے۔

حکومت جاری مالیاتی اصلاحات پروگرام کے تحت معیشت کو مستحکم کرنے کے لیے اقدامات کر رہی ہے۔ آئی ایم ایف کے 3 ارب ڈالر کے اسٹینڈ بائی ارینجمنٹ (SBA) اور 7 ارب ڈالر کی توسیعی فنڈ سہولت کے باعث ستمبر 2024 میں پاکستان نے ایک نئے 37 ماہ کے آئی ایم ایف پروگرام میں شمولیت اختیار کی، جس سے 2023/2024 میں جی ڈی پی کی شرح نمو کو 2.4% تک پہنچانے میں مدد ملی۔

صنعتی جائزہ

اقتصادی ماحول

پاکستان میں سگریٹ پر سب سے بڑا ٹیکس فیڈرل ایکسائز ڈیوٹی (FED) کا اطلاق ہوتا ہے۔ مالی سال 2022/23 میں فیڈرل ایکسائز ڈیوٹی میں بے مثال 200% اضافے کے بعد غیر قانونی مارکیٹ 37% سے بڑھ کر 54% تک پہنچ گئی، جس سے قانونی مینوفیکچررز کو شدید نقصان پہنچا۔ پالیسی سازوں نے اس مسئلے کی سنگینی کو سمجھا اور اس سے نمٹنے کے لیے مخصوص اقدامات کی ضرورت کو تسلیم کیا۔ غیر قانونی مارکیٹ کے پھیلاؤ اور محصولات میں کمی کو روکنے کے لیے حکومت نے مالی سال 2024/25 کے بجٹ میں ایکسائز ڈیوٹی کو برقرار رکھنے کا فیصلہ کیا۔

وفاقی بجٹ 2024/25 میں حکومت پاکستان نے سگریٹ کی تیاری کے اہم خام مال ایسیٹیٹ ٹو (Acetate Tow) اور فلٹر راڈز پر فی کلو گرام سیلز ٹیکس اور فیڈرل ایکسائز ڈیوٹی متعارف کروائی، جو بالترتیب 44,000 روپے فی کلو گرام اور 80,000 روپے فی کلو گرام مقرر کی گئی۔ اگرچہ یہ اقدام غیر قانونی شعبے کی نشاندہی کے لیے کیا گیا تھا، تاہم ایسیٹیٹ ٹو (Acetate Tow) کی اسمگلنگ کا رجحان بڑھ گیا، جس سے غیر قانونی شعبے کی ترقی پر منفی اثرات مرتب ہوئے۔

فی کلوگرام ٹیکس کے حوالے سے وفاقی بجٹ 2024/25 میں درآمدی مرحلے پر ٹیکس 1,200 روپے فی کلوگرام فیڈرل ایکسائز ڈیوٹی عائد کی گئی۔ یہ حکومت کے اس اعتراف کی عکاسی کرتا ہے کہ غیر قانونی طور پر تیار کیے جانے والے سگریٹ کے شعبے میں قانونی طور پر جو نقصانات ہو رہے ہیں، اس کا ازالہ ہونا ضروری ہے۔ تاہم ایف ای ڈی کو بڑھا کر 10,000 روپے فی کلوگرام یا 65% (جو بھی زیادہ ہو) مقرر کر دیا گیا۔ یہ خود ٹیکس دہندگان پر غیر ضروری بوجھ ہے جس سے کمپنی کی محصولات میں 180% اضافے کا سبب بنی، جبکہ غیر قانونی مینوفیکچررز کے فائدے میں اضافہ ہو رہا ہے اور قانونی کمپنیوں کو نقصان پہنچ رہا ہے۔

ڈیوٹی اور ٹیکسوں میں اضافہ اور ٹریک اینڈ ٹریس کی ضرورت

مالی سال 2022/23 میں فیڈرل ایکسائز ڈیوٹی میں غیر معمولی اضافے کی وجہ سے غیر قانونی سگریٹ کے کاروبار میں اضافہ ہوا ہے، جس کے باعث ملک بھر میں مختلف اسمگل شدہ برانڈز اور مقامی طور پر تیار کردہ ٹیکس چوری والی مصنوعات میں اضافہ دیکھنے میں آیا ہے۔ یہ سگریٹ برانڈز کم قیمت پر فروخت ہو رہے ہیں جن پر ہیلتھ وارننگ اور ٹیکس اسٹیمپ موجود نہیں ہیں۔

اسی کے نتیجے میں ٹریک اینڈ ٹریس سسٹم کی تکمیل پر IPOR کی تحقیق سے یہ انکشاف ہوا ہے کہ 413 میں سے صرف 19 برانڈز مکمل طور پر ٹریک اینڈ ٹریس کی تعمیل کر رہے تھے۔ باقی 394 برانڈز میں 286 اسمگل شدہ تھے، جو بغیر ٹیکس اسٹیمپ اور تصویری ہیلتھ وارننگ کے فروخت کیے جا رہے تھے۔

اگرچہ حکومت نے ٹیکس ریونیو میں اضافے اور صارفین کے تحفظ اور قانونی صنعت کے تحفظ کے لیے ٹریک اینڈ ٹریس سسٹم جیسے اقدامات متعارف کرائے ہیں، اس کے باوجود اس کے نفاذ میں کمزوریاں پائی جاتی ہیں۔ غیر قانونی عناصر مسلسل نئے طریقے اپنا رہے ہیں تاکہ قانونی کارروائی سے بچ سکیں، جس کی وجہ سے ٹریک اینڈ ٹریس سسٹم اسٹیمپ اور بغیر ٹیکس اسٹیمپ والی مصنوعات کی موجودگی ہے۔ متعلقہ اداروں کو غیر قانونی مینوفیکچررز کے خلاف اس نظام کے نفاذ کو مؤثر بنانے کی ضرورت ہے، تاکہ غیر قانونی کاروبار کے خلاف مؤثر اقدامات کیے جا سکیں اور قانونی کاروبار کے مواقع میں اضافہ ہو۔ اگر یہ نظام مؤثر طریقے سے نافذ نہ کیا گیا تو یہ نظام ٹیکس چوری کی روک تھام کے بجائے قانونی مینوفیکچررز کے لیے اضافی بوجھ بن سکتا ہے۔

کی تاریخ ادائیگی کی تاریخ سے تین سال کی مدت کے لئے غیر دعویدار یا غیر ادا شدہ رہے ہیں۔ حصص یافتگان دعویٰ فارم کے ذریعے دعویٰ کر سکتے ہیں جو کہ کمپنی کی ویب سائٹ پر دستیاب ہے۔ ادا شدہ شیئرز کی وصولی کے لئے دعوے کے فارم کمپنی کے شیئرز رجسٹرار کو جمع کروائے جائیں۔

15. شیئرز کی فزیکل فارم سے بک انٹری فارم میں تبدیلی:

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے 26 مارچ 2021 کو ایک لیٹر نمبر CSD/ED/Misc./2016-639-640 جاری کیا ہے جس میں کمپنیز ایکٹ 2017 کے سیکشن 72 کی دفعات کی طرف توجہ مبذول کراتے ہوئے تمام لسٹڈ کمپنیوں کو پابند کیا گیا ہے جس کے تحت تمام کمپنیوں سے یہ مطالبہ کیا گیا ہے کہ وہ اپنے جاری کردہ شیئرز کو ایکٹ کے نفاذ کی تاریخ سے چار سال کی مدت کے اندر فزیکل صورت میں جاری کردہ شیئرز بک انٹری فارم میں جاری کیے جائیں۔ مذکورہ سیکشن 72 کی دفعات کی مکمل تعمیل کو یقینی بنانے اور بک انٹری فارم میں شیئرز رکھنے کی سہولت سے مستفید ہونے کے لیے ان شیئرز ہولڈرز سے درخواست کی جاتی ہے جو ابھی بھی فزیکل صورت میں شیئرز رکھتے ہیں وہ اپنے شیئرز کو بک انٹری فارم میں تبدیل کروائیں۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا جس میں شیئرز کی محفوظ تحویل اور کسی بھی وقت ان کی فروخت شامل ہے۔ کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے تحت فزیکل شیئرز کی خرید و فروخت ممنوع ہے۔

16- رابطہ کی تفصیلات:

کمپنی سے رابطہ:
کمپنی سیکرٹری، پاکستان ٹوبیکو کمپنی لمیٹڈ
سیرینا بزنس کمپلیکس، خیابانِ سہروردی، اسلام آباد
فون: 2083200 51 92 +
ای میل: plc_company_secretary@bat.com

شیئرز رجسٹرار سے رابطہ:
فیمکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ
8-F، ہوٹل فاران کے قریب، نرسری، بلاک-6، P.E.C.H.S،
شاہراہ فیصل، کراچی۔ فون: 5-34380101 (021)
ای میل: info.shares@famco srs.com

12. ڈائریکٹرز کا انتخاب

کمپنی کے موجودہ بورڈ آف ڈائریکٹرز کے عہدوں کی مدت مورخہ 21 جون 2025 کو اختتام پذیر ہو رہی ہے۔ کمپنیز ایکٹ 2017 کے سیکشن 159(1) کے تحت بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں منتخب کردہ ڈائریکٹرز کی تعداد بارہ (12) مقرر کی ہے جو کمپنی کے سالانہ اجلاس عام میں آئندہ تین (3) سال مدت کے لیے منتخب کیے جائیں گے۔

کوئی بھی فرد جو دوبارہ منتخب ہونے والا ڈائریکٹر ہو یا کوئی اور جو ڈائریکٹر کے عہدے کے لیے انتخاب میں حصہ لینا چاہتا ہے، وہ کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام کی تاریخ سے 14 دن قبل درج ذیل دستاویزات سمیت اپنی رضامندی کا نوٹس کمپنی کے رجسٹرڈ آفس میں جمع کرائے گا۔

(i) امیدوار کمپنیز ایکٹ 2017 کے سیکشن 159(3) کے تحت ڈائریکٹر کے عہدے کے انتخاب میں حصہ لینے کیلئے رضامندی کا نوٹس جمع کرائے گا اور اس کے علاوہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ریگولیشن 7A کے مطابق ایک کیٹیگری منتخب کرنی ہوگی، جس میں وہ انتخاب میں حصہ لینے کا ارادہ رکھتا ہے۔ ڈائریکٹرز کی کیٹیگری اور ہر کیٹیگری میں منتخب کیے جانے والے ڈائریکٹرز کی تعداد درج ذیل ہے:

کیٹیگری	منتخب کیے جانے والے ڈائریکٹرز کی تعداد
خاتون ڈائریکٹر	2
آزاد ڈائریکٹرز	4
دیگر ڈائریکٹرز	6

(ii) امیدوار کمپنیز ایکٹ 2017 کے سیکشن 159(3) کے تحت ڈائریکٹر کے انتخاب میں حصہ لینے کیلئے رضامندی کا نوٹس اور کمپنیز ایکٹ 2017 اور کمپنیز ریگولیشنز 2024 میں مجوزہ فارم 9 پر بطور ڈائریکٹرز خدمات سرانجام دینے کی رضامندی جمع کرانی ہوگی۔ (ڈائریکٹر کے انتخاب میں حصہ لینے کا خواہشمند کوئی بھی فرد درخواست جمع کراتے وقت کمپنی کا رکن ہونا ضروری ہے، ماسوائے اس صورت میں جب وہ کسی ادارے کی نمائندگی کر رہا ہو۔)

(iii) امیدوار کو ایک دستخط شدہ اعلامیہ جمع کرانا ہوگا جس میں درج ذیل امور کی تصدیق ہو:

(الف) کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019، پاکستان اسٹاک ایکسچینج لمیٹڈ کے رول بک، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور دیگر متعلقہ قوانین و ضوابط کے تحت اپنے فرائض اور اختیارات سے آگاہ ہے۔

(ب) کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور دیگر قابل اطلاق قوانین و ضوابط کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔

(iv) SRO 1196 (I)/2019 مورخہ 03 اکتوبر 2019 کے تحت امیدوار کو اپنی تعلیمی پروفائل اور ڈائریکٹرشپ کی دیگر معلومات فراہم کرنا ہوں گی تاکہ انہیں کمپنی کی ویب سائٹ پر شائع کیا جا سکے۔

(v) دیگر ڈائریکٹرشپ کی تفصیلات۔

(vi) قومی شناختی کارڈ/پاسپورٹ (غیر ملکی شہری ہونے کی صورت میں) کی مصدقہ کاپی معہ NTN اور فولیو نمبر/CDC اکاؤنٹ یا سب اکاؤنٹ نمبر

(vii) بطور ڈائریکٹر منتخب ہونے کے لیے اپنی رضامندی جمع کرانے والے ہر ڈائریکٹر کیلئے کمپنی کے 17 کوالیفکیشن شیئرز کا حامل ہونا ضروری ہے، ماسوائے کمپنیز ایکٹ 2017 کے سیکشن 153(1) میں مذکورہ استثنیٰ کے۔

(viii) ایک آزاد ڈائریکٹر کے طور پر ڈائریکٹرز کے انتخاب میں حصہ لینے کا ارادہ رکھنے والے امیدواروں کو درج ذیل اضافی دستاویزات جمع کرانا ہوں گی:

(الف) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ضابطہ 6(3) کے تحت خود مختار ڈائریکٹر کا اعلامیہ۔

(ب) غیر جوڈیشل اسٹامپ پیپر پر کمپنیز (خود مختار ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز 2018 کے ضابطہ 4(1) کے تحت حلف نامہ جمع کرانا ہے۔

آزاد ڈائریکٹرز کیٹیگری کے لیے موصول ہونے والی نامزدگیاں کمپنی کی جانب سے مقرر جانچ پڑتال کے عمل سے گزریں گی جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 166 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ضابطہ 7A میں درج ہے۔

انتخاب میں حصہ لینے والے امیدواروں کی حتمی فہرست کمپنیز ایکٹ 2017 کے سیکشن 159(4) کے تحت اجلاس کی تاریخ سے کم از کم سات (7) دن قبل جاری کی جائے گی۔ کمپنی کی ویب سائٹ پر مطلوبہ معلومات اور ڈائریکٹرز کے پروفائل کو اپلوڈ کیا جائے گا۔

13. ایڈریس کی تبدیلی:

ممبران سے التماس ہے کہ وہ اپنے ایڈریس میں کسی بھی تبدیلی کے حوالے سے فوری طور پر مطلع کریں۔

(i) فزیکل فارم میں شیئرز رکھنے والے ممبران سے درخواست ہے کہ وہ کمپنی کے شیئرز رجسٹرار کو اپنے ایڈریس میں ہونے والی تبدیلیوں کے بارے میں فوری طور پر مطلع کریں۔

(ii) الیکٹرانک شکل میں سی ڈی سی کے ساتھ حصص رکھنے والے ممبران کو اپنے شراکت دار/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو ایڈریس کی تبدیلی سے مطلع کرنا ہوگا جس کے ساتھ ان کے حصص رکھے گئے ہیں۔

14. کمپنیز ایکٹ 2017 کی سیکشن 244 تحت غیر دعوی شدہ ڈیویڈنڈ/شیئرز

کمپنی کے غیر دعوی شدہ ڈیویڈنڈ/شیئرز کی تازہ ترین فہرست کمپنی کی ویب سائٹ www.ptc.com.pk پر دستیاب ہے۔ یہ غیر دعوی شدہ ڈیویڈنڈ/شیئرز ان

7. **ڈیویڈنڈ سے انکم ٹیکس کی کٹوتی انکم ٹیکس آرڈیننس 2001 کی سیکشن 150 کے تحت (لازمی):**

(i) فنانس ایکٹ کے تحت ڈیویڈنڈ کی ادائیگی سے انکم ٹیکس کی کٹوتی کے ریٹس درج ذیل ہیں:

1. انکم ٹیکس ریٹرن فائلرز (ATL) میں شامل شیئر ہولڈرز کیلئے ٹیکس کٹوتی کا ریٹ 15 فیصد
2. انکم ٹیکس ریٹرن فائلرز (ATL) میں شامل نہ ہونے والے شیئر ہولڈرز کیلئے ٹیکس کٹوتی کا ریٹ 30 فیصد

کٹوتی کو 30% کی بجائے 15% کمپنی ڈیویڈنڈ کی رقم پر ٹیکس کٹوتی کرنے کے قابل ہونے کے لیے ایسے حصص یافتگان جن کے نام ایف بی آر کی ویب سائٹ پر دستیاب ایکٹو انکم ٹیکس ریٹرن فائلرز (ATL) میں درج نہیں ہیں، اس حقیقت کے باوجود کہ وہ فائلرز ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ فوری طور پر یقینی بنائیں کہ ان کے نام ATL میں درج ہیں، بصورت دیگر ان کے کیش ڈیویڈنڈ پر 15% کی بجائے 30% ٹیکس کاٹا جائے گا۔

(ii) ڈیویڈنڈ کی آمدنی سے ود ہولڈنگ ٹیکس میں چھوٹ صرف کارپوریٹ حصص یافتگان کو دی ہوگی، جب شیئرز ٹرانسفر بکس کی بندش کے پہلے دن تک کمپنی کے شیئر رجسٹرار کو شیئر رجسٹرار سرٹیفکیٹ انکم ٹیکس سے استثنیٰ سرٹیفکیٹ کی ایک کاپی مل جائے۔

(iii) ود ہولڈنگ ٹیکس کے حوالے سے ایف بی آر نے مشترکہ اکاؤنٹس کے حوالے سے وضاحت کی ہے کہ ود ہولڈنگ ٹیکس پرنسپل حصص یافتگان کے ساتھ ساتھ مشترکہ ہولڈر حصص یافتگان کی تناسب کی بنیاد پر "فائلر/نان فائلر" کی حیثیت پر الگ سے لاگو کیا جائے گا۔

اس سلسلے میں کمپنی کے تمام حصص یافتگان جن کے پاس فزیکل شکل میں یا سی ڈی سی میں حصص ہیں، جو مشترکہ طور پر حصص رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے حصص کے سلسلے میں پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر کے شیئر ہولڈنگ کا تناسب شیئر رجسٹرار کو فوری طور پر درج ذیل طریقے سے فراہم کریں (اگر پہلے ہی فراہم نہیں کی گئی ہے)۔

			پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
کمپنی کا نام	فولیو/سی ڈی سی اکاؤنٹ #	کل حصص	نام اور شناختی کارڈ نمبر	حصص داری کا تناسب (حصص کی تعداد)	نام اور شناختی کارڈ نمبر	حصص داری کا تناسب (حصص کی تعداد)

اس اطلاع کے دس (10) دن کے اندر مطلوبہ معلومات کمپنی کے شیئر رجسٹرار تک پہنچنا ضروری ہے، بصورت دیگر یہ سمجھا جائے گا کہ حصص یکساں طور پر پرنسپل شیئر ہولڈرز اور جوائنٹ ہولڈرز کے پاس ہیں۔

(iv) سی ڈی سی اکاؤنٹس والی کمپنی کے کارپوریٹ شیئر ہولڈرز کیلئے لازم ہے کہ وہ اپنے قومی ٹیکس نمبر (این ٹی این) کو اپنے متعلقہ شرکاء کے ساتھ اپ ڈیٹ کریں، جبکہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے این ٹی این سرٹیفکیٹ کی ایک کاپی کمپنی یا کمپنی کے شیئر رجسٹرار کو ارسال کرنی ہوگی۔ NTN یا NTN سرٹیفکیٹ بھیجتے ہوئے حصص یافتگان کیلئے لازم ہے کہ کمپنی کا نام اور ان کے متعلقہ فولیو نمبر کا حوالہ دیں۔

8. **غیر رہائشی انفرادی شیئر ہولڈرز کیلئے اطلاع:**

غیر رہائشی انفرادی شیئر ہولڈرز کو انکم ٹیکس آرڈیننس 2001 کے سیکشن 82 میں واضح کردہ تعریف کے تحت اپنے پاسپورٹ کی مصدقہ کاپی کے ساتھ ڈیکلریشن فارم 16 اپریل 2025 سے قبل ہمارے شیئر رجسٹرار میسرز فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو جمع کروانا ہوگا تاکہ ڈیویڈنڈ پر ٹیکس کٹوتی کے مقاصد کے لیے ان کی رہائشی حیثیت کا تعین کیا جا سکے۔ ڈیکلریشن فارم کمپنی کی شیئر رجسٹرار کی ویب سائٹ www.famcoars.com سے ڈاؤن لوڈ کی جا سکتی ہے۔

9. **زکوٰۃ کی کٹوتی:**

زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کا دعویٰ کرنے کے لیے حصص یافتگان سے درخواست ہے کہ وہ اپنے زکوٰۃ کے اعلامیہ فارم CZ-50 کی ایک نوٹرائزڈ کاپی 50 روپے کے اسٹامپ پیپر پر کمپنی کے شیئر رجسٹرار کو جمع کروائیں۔

10. **ای ووٹنگ:**

ممبران کمپنیز ایکٹ 2017 کی دفعات 143-145 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی دفعات کے تحت ای ووٹنگ کے معاملے سے متعلق اپنے حق کا استعمال کر سکتے ہیں۔

11. **ویڈیو لنک کی سہولت:**

کمپنیز ایکٹ 2017 کے سیکشن 134(1)(b) اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 10 آف 2014 مورخہ 21 مئی 2014 کے مطابق اگر کمپنی کو مجموعی طور پر 10 فیصد یا اس سے زائد شیئرز کے حامل ایسے شیئر ہولڈرز کی رضامندی کی درخواست سالانہ اجلاس عام سے کم از کم 10 دن پہلے موصول ہوتی ہے جو کسی ایک علاقے میں رہائش پذیر ہوں اور ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کے خواہشمند ہوں تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت مہیا کرے گی، بشرطیکہ اس سہولت کی فراہمی اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہے۔ حصص یافتگان اس سہولت سے فائدہ اٹھانے کیلئے کمپنی کے شیئر رجسٹرار کو درج ذیل معلومات فراہم کریں۔

میں/ہم ______________________ ساکن

ایک کمپنی لمیٹڈ کے ممبر ہونے کے ناطے عمومی شیئرز بمطابق رجسٹرڈ فولیو

نمبر ______________________ کے حامل ہیں اور اس لیے ______________________

(شہر کا نام) میں ویڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔

کے جاری کردہ سرکلر نمبر 1، مورخہ 26 جنوری 2000 کے مطابق درج ذیل ہدایات پر عمل کرنا ہوگا۔

(الف) شرکت کیلئے:

i) اگر انفرادی اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا وہ شخص ہے جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات CDC کے قواعد کے مطابق اپ لوڈ کی گئی ہیں، تو وہ اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرائیں گے۔

ii) کارپوریٹ ادارے کی صورت میں اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی کی ایک مصدقہ نقل، نامزد شخص کے دستخطوں کے ساتھ پیش کرنی ہوگی۔

ب) پراکسی مقرر کرنے کیلئے:

i) اگر انفرادی اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا وہ شخص ہے جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات CDC کے قواعد کے مطابق اپ لوڈ کی گئی ہیں، تو اس صورت میں مذکورہ بالا بیان کردہ شرائط کے تحت پراکسی فارم جمع کروانا ہوگا۔

ii) فارم (پراکسی) کیلئے دو افراد بطور گواہ دستخط کریں گے جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔

iii) مستفید مالکان اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ فراہم کی جائیں۔

iv) کارپوریٹ ادارے کی صورت میں، کمپنی کے شیئرز ہولڈر کو بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی کی نقل نامزد شخص کے دستخطوں کے نمونے کے ہمراہ پراکسی فارم جمع کروانا ہوگا۔

v) پراکسی اجلاس کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

جو شیئرز ہولڈرز ویڈیو لنک کے ذریعے سالانہ اجلاس عام میں شرکت کرنا چاہتے ہیں، ان سے التماس ہے کہ وہ PTC_AGM@bat.com پر مورخہ 18 اپریل 2025، صبح 10:00 بجے تک ای میل ارسال کریں تاکہ ان شیئرز ہولڈرز کو لنک بھیجا جا سکے۔

5. CNIC / NTN تفصیلات کی فراہمی (لازمی):

ایس ای سی پی کے نوٹیفکیشن/ہدایات نمبر S.R.O. 779(1)/2011 مورخہ 16 اگست 2011 اور S.R.O. 83(1)/2012 مورخہ 5 جولائی 2012 کے تحت جاری شدہ ہیں، کے تحت ڈیویڈنڈ وارنٹس پر رجسٹرڈ ممبر کا قومی شناختی کارڈ نمبر درج ہونا ضروری ہے، ماسوائے نابالغ افراد اور کارپوریٹ ممبران کے۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) کی جانب سے جاری کردہ ایکٹو ٹیکس پیئرز لسٹ (ATL) کے مطابق CNIC نمبر/NTN تفصیلات کی فراہمی لازمی ہے جو کہ ٹیکس کی جانچ کرنے کے لیے ضروری ہیں۔

اس لیے تمام جوائنٹ ہولڈرز (بشمول فزیکل سرٹیفکیٹس کے حامل افراد) سے التماس کی جاتی ہے کہ وہ اپنے موثر شناختی کارڈ کی ایک نقل کمپنی یا اس کے رجسٹرار کو جمع کرائیں اگر پہلے سے فراہم نہیں کی۔ حصص یافتگان کو شناختی کارڈ ارسال کرتے وقت اپنے حصص فولیو نمبر کا حوالہ دینا ہوگا۔

کسی موثر شناختی کارڈ کی کاپی موصول نہ ہونے کی صورت میں کمپنی ایسے حصص یافتگان میں ڈیویڈنڈ کی تقسیم روک سکے گی۔ کمپنیز ایکٹ 2017 کے سیکشن 343(3) کے تحت پابند کیا جا سکے گا۔

6. کیش ڈیویڈنڈ کی ادائیگی کیلئے الیکٹرانک کریڈٹ مینڈیٹ (لازمی):

کمپنیز ایکٹ 2017 کے سیکشن 242 اور کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) کے قواعد 4 کی ہدایت کے تحت لسٹڈ کمپنی کے لیے لازمی ہے کہ وہ اپنے حصص یافتگان کو صرف الیکٹرانک طریقے سے ہی کیش ڈیویڈنڈ ادا کرے، جس کا اطلاق کے حامل حصص یافتگان کی طرف سے نامزد کردہ مستند بینک اکاؤنٹ میں براہ راست رقم منتقل ہو سکے۔

لہذا براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ حاصل کرنے کے لیے فزیکل شکل میں حصص کے حامل شیئرز ہولڈرز سے التماس کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ www.ptc.com.pk پر دستیاب "الیکٹرانک کریڈٹ مینڈیٹ فارم" پُر کریں اور مکمل شدہ فارم شناختی کارڈ کی موثر کاپی/پاسپورٹ (غیر ملکی حصص داران) کے ہمراہ کمپنی کے شیئرز رجسٹرار، میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو مورخہ 16 اپریل 2025 تک ارسال کریں۔

فولیو نمبر	
شیئرز ہولڈر کا نام	
بینک اکاؤنٹ کا عنوان	
انٹرنیشنل بینک اکاؤنٹ (24 ہندسوں پر مشتمل IBAN درج کریں)	
بینک کا نام	
بینک برانچ کا نام اور پتہ	
شیئرز ہولڈر کا موبائل نمبر	
شیئرز ہولڈر کا لینڈ لائن نمبر	
ای میل ایڈریس	
CNIC / NTN نمبر (کارپوریٹ شیئرز ہولڈر کی صورت میں کاپی منسلک کریں)	
ممبر کے دستخط	

پاکستان ٹوبیکو کمپنی لمیٹڈ سالانہ اجلاس عام کا نوٹس

مطلع کیا جاتا ہے کہ پاکستان ٹوبیکو کمپنی لمیٹڈ ("کمپنی") کا اٹھہترواں (78th) سالانہ اجلاس عام بروز جمعرات مورخہ 24 اپریل 2025 کو صبح 10:00 بجے سیرینا ہوٹل، اسلام آباد میں اور اس کے ساتھ ساتھ ویڈیو لنک کے ذریعے منعقد ہوگا، جس میں درج ذیل امور سرانجام دیے جائیں گے۔

عمومی امور:

1. 24 اپریل 2024 کو منعقد ہونے والے کمپنی کے 77ویں سالانہ اجلاس عام کے منٹس کی توثیق۔
2. 31 دسمبر 2024 کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی وصولی، غور و خوض اور توثیق اور اس کے ساتھ ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس بھی شامل ہوں گی۔
3. بورڈ کی جانب سے تجویز کردہ 31 دسمبر 2024 کو ختم ہونے والے سال کیلئے حتمی نقد منافع منقسمہ [illegible] پر غور و خوض اور منظوری کرنا۔
4. 31 دسمبر 2025 کو ختم ہونے والے سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین۔ موجودہ آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی نے اپنی اہلیت کی بنیاد پر دوبارہ تقرری کی پیشکش کی ہے۔
5. اجلاس کی تاریخ یعنی 24 اپریل 2025 (کاروبار کے اختتام) سے شروع ہونے والی تین (3) سال کی مدت کیلئے کمپنیز ایکٹ 2017 کی سیکشن 159 کے مطابق بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ بارہ (12) ڈائریکٹرز کا انتخاب کرنا۔ ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:

1. مسٹر ظفر محمود	2. سید علی اکبر
3. مسٹر محمد ریاض	4. مسٹر آصف جاہ
5. لیفٹیننٹ جنرل (ریٹائرڈ) نجیب اللہ خان	6. سید [illegible] شاہ
7. مس [illegible]	8. مسٹر [illegible]
9. مسٹر [illegible]	10. مسٹر [illegible]
11. مسٹر [illegible]	12. سید [illegible]

6. چیئرمین کی اجازت سے دیگر کاروباری امور نمٹانا۔

بحکم بورڈ

[illegible]
کمپنی سیکرٹری
[illegible] 2025

نوٹس

1. **سالانہ رپورٹ**

31 دسمبر 2024 کو ختم ہونے والے سال کی سالانہ رپورٹ کی سافٹ کاپی شیئر ہولڈرز کو ان کے رجسٹرڈ ای میل ایڈریس پر اور ایک QR کوڈ کے ساتھ (جس کے ذریعے سالانہ رپورٹ کی کاپی حاصل کی جا سکتی ہے) ان کے رجسٹرڈ پتے پر ارسال کی جا رہی ہے۔ کمپنیز ایکٹ 2017 کے سیکشن 223 اور ایس آر او 389(I)/2023 مورخہ 21 مارچ 2023 کے تحت سالانہ رپورٹ کی ڈیجیٹل کاپی کمپنی کی ویب سائٹ پر شائع کی جا رہی ہے جو ویب لنک www.ptc.com.pk سے ڈاؤن لوڈ کی جا سکتی ہے۔ وہ شیئر ہولڈرز جو سالانہ رپورٹ کی ہارڈ کاپی حاصل کرنے کے خواہاں ہیں ان سے درخواست کی جاتی ہے کہ وہ ہمیں PTC_AGM@bat.com پر مطلع کریں۔ انہیں سالانہ رپورٹ کی ہارڈ کاپی ارسال کر دی جائے گی۔

2. **شیئر ٹرانسفر بکس کی بندش:**

کمپنی کی شیئر ٹرانسفر بکس مورخہ 17 اپریل 2025 سے 24 اپریل 2025 (بشمول دونوں ایام) تک بند رہیں گی۔ کمپنی کے شیئر رجسٹرار [illegible] شیئر رجسٹرار سروسز (پرائیویٹ) لمیٹڈ کے دفتر میں مورخہ 16 اپریل 2025 بروز بدھ کو کاروبار کے اختتام تک بروقت وصول ہونے والے ٹرانسفرز اجلاس میں شرکت اور ووٹ دینے اور حتمی منافع منقسمہ (جو کہ ممبران کی منظوری سے مشروط ہے) کے حقدار ہوں گے۔

3. **سالانہ اجلاس عام میں شرکت بذریعہ آن لائن پلیٹ فارم / سہولت:**

جن اراکین کے نام کمپنی کے ممبران کے رجسٹر میں درج ہیں، وہ اجلاس میں شرکت اور ووٹ دینے کے حقدار ہیں۔ سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اپنی جگہ کسی دوسرے ممبر کو پراکسی مقرر کر سکتا ہے جسے اس ممبر کی جگہ شرکت کرنے، بولنے اور ووٹ دینے کا حق حاصل ہوگا۔

اجلاس کے لیے [illegible] پراکسی فارم نوٹس کے ہمراہ ممبران کو ارسال کر دیا گیا ہے۔ پراکسی فارم کمپنی کی ویب سائٹ www.ptc.com.pk سے بھی ڈاؤن لوڈ کیا جا سکتا ہے۔ پراکسی فارم [illegible] پاور آف اٹارنی [illegible] اجلاس کے انعقاد کے وقت (یعنی مورخہ 24 اپریل 2025 بوقت صبح 10:00 بجے) سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار [illegible] کے دفتر میں جمع کروانے چاہئیں۔ لہٰذا 48 گھنٹوں یعنی 22 اپریل 2025 کو صبح 10:00 بجے کے بعد موصول ہونے والے پراکسی فارم قابل قبول نہیں ہوں گے۔

4. **پاکستان سنٹرل ڈپازٹری کمپنی لمیٹڈ (CDC) کے انویسٹر اکاؤنٹ ہولڈرز کے لیے ہدایات:**

CDC کے [illegible] سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)

Glossary and Definitions

AGM
Annual General Meeting

AJK
Azad Jammu & Kashmir

AKF
Akora Khattak Factory

ALT
Area Leadership Team

Amortisation
To charge a regular portion of an expenditure over a fixed period of time

APMEA
Asia-Pacific, Middle East and Africa

ASOP
Area Sales Operation Planning

ATL
Active Tax Payers List

AWS
Aliance for Water Stewardship

B2B
Business to Business

BA
Bachelors in Art

BAT
British American Tobacco

BAU
Business As Usual

BCM
Business Continuity Management

BIA
Busines Impact Analysis

BOM
Batle of Minds

CASE
Centre for Advanced Studies in Energy

CbPMO
Capstan by Pall Mall

CDC
Central Depository Company

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CGS
Chief of General Staff

CMA
Certified Management Accountant

CMT
Crisis Management Team

CNIC
Computerised National Identity Card

COGS
Cost of Goods Sold

COO
Chief Operating Officer

CORA
Corporate and Regulatory Affairs

CPA
Crop Protection Agents

Current Ratio
The current ratio indicates a company's ability to meet short-term debt obligation

D2C
Direct to Consumer

Dividend Payout Ratio
The ratio found by dividing total debt by the equality (all assets minus debts) held in stock (this is a measure of financial risk)

DNP
Duty-Not-Paid

DTP
Directors' Training Program

Earnings Per Share
Earnings found by dividing the net income of the Company by the number of shares of common outstanding stock

EBITDA
Earnings before Interest, Taxes, Depreciation and Amortization

EH&S
Environment, Health & Safety

EOs
Equipment Owners

ESG
Environment, Social and Governance

ExCo
Executive Commitee

Glossary and Definitions

FBR
Federal Board of Revenue

FED
Federal Excise Duty

Fiscal Deficit
Fiscal deficit occurs when a government's total expenditure exceeds the revenue that it generates, excluding money from borowings

FMC
Factory Manufactured Cigaretes

FMCG
Fast-Moving Consumer Gods

FTSE
Financial Times Stock Exchange

FX
Foreign Exchange

GBS
Global Business Services

Gearing Ratio
Compares some form of owner's equity or (capital) to borrow funds

GJ
Gigajoule

GLT
Green Leaf Threshing

GoP
Government of Pakistan

HR
Human Resource

HR&RC
Human Resources and Remuneration Committee

HRBP
Human Resource Busines Partner

ICAP
Institute of Chartered Accountants of Pakistan

ICP
Investment Corporation of Pakistan

IFAC
International Federation of Accountants

HIC
Islamabad High Court

MIP
International Marketing Principles

I-RECS
International Renewable Energy Certificates

IREN
Inland Revenue Enforcement Newtork

IT
Information Technology

IWS
Integrated Works System

JF
Jhelum Factory

KPIs
Key Performance Indicators

LEP
Limited Edition Pack

LLB
Bachelor of Laws

M.A
Masters in Arts

MBA
Masters in Business Administration

MCB
Muslim Commercial Bank

MD
Managing Director

MO
Modern Oral

MoU
Memorandum of Understanding

MTBF
Mean Time Between Failure

MW
Megawatt

NC
New Category

Net Working Capital
Current assets minus current liabilities

NIT
National Investment Trust

NRSP
National Rural Support Program

NTN
National Tax Number

Glossary and Definitions

NTO
Net Turn Over

Operating Cycle
The average time betwen purchasing or acquiring inventory and receiving cash proceeds from its sale

ORA
Overall Risk Assessment

PPE
Personal Protective Equipment

Price-Earnings Ratio (P/E)
The ratio found by dividing market price per share by earnings per share (this ratio indicates what investors think of the firms' earnings' growth and risk prospects)

PTB
Pakistan Tobacco Board

PTC
Pakistan Tobacco Company or "The Company"

R&D
Research and Development

Return on Equity (ROE)
The value found by dividing the Company's net income by its net assets (ROE measures the amount a company earns on investments)

RMC
Risk Management Committee

SAA
South Asia Area

SECP
Securities Exchange Commission of Pakistan

SoBC
Standards of Business Conduct

Sox
Sarbanes-Oxley

SPLY
Same Period Last Year

SRO
Statutory Regulatory Order

U.S.
United States of America

UAT
User Acceptance Test

UK
United Kingdom

VFM
Value for Money

Vs.
Versus

w.e.f.
with effect from

WIN
Women Inclusion Network

Form of Proxy

Pakistan Tobacco Company Limited

I/We ____________________

of ____________________

being a member(s) of Pakistan Tobacco Company Limited ("Company"), holding ____________________

Ordinary Share(s) as per Register Folio No./CDC accoun No. ____________________

hereby appoint Mr./Ms. ____________________

Folio No. / CDC Account No.(if member) ____________________ of ____________________

or failing him/her, Mr./Ms. ____________________

Folio No. / CDC Account No. (if member) ____________________

as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the 78th Annual General Meeting of the Company to be held on the 24th day of April 2025 and at any and every adjournment thereof.

Signed by ____________________

Signed under my/our hand this the __________ day of __________, 2025

WITNESS – 2	WITNESS – 1
NAME: ____________________	NAME: ____________________
CNIC: ____________________	CNIC: ____________________
ADDRESS: ____________________	ADDRESS: ____________________

NOTE:

a. The signature should match with the specimen signature registered with the Company or with that on CNIC (in case of a CDC shareholder).

b. A Proxy need not be a member of the Company.

c. Proxy Forms (scanned copies) properly completed along with attested copies of CNIC or the Passport of the Proxy shall be sent to info.shares@famcosrs.com not less than 48 hours (excluding closed days) before the Meeting.

d. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.

e. In case of a corporate entity, the Board of Directorsí Resolution / Power of Attorney with specimen signature shall be sent at info.shares@famcosrs.com along with Proxy Form.

پراکسی فارم

میں / ہم ____________ از ____________

پاکستان ٹوبیکو کمپنی لمیٹڈ (کمپنی) کا ممبر ہونے کے ناطے، ____________ عام شیئر (ز) بمطابق رجسٹر فولیو نمبر/سی ڈی سی اکاؤنٹ

نمبر ____________ کے حامل ہیں مسٹر/مسز ____________

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے تو) ____________

یا ان کے نہ ہونے کی صورت میں مسٹر/مسز ____________

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے تو) ____________

کو 24 اپریل 2025 کو منعقد ہونے والے کمپنی کے 78 ویں اجلاس عام اور اس کے کسی بھی التواء پر ہونے والے اجلاس میں اپنی غیر حاضری پر اپنے نائب کے طور پر شرکت کرنے اور اپنی جگہ ووٹ دینے کے لئے مقرر کرتا/کرتے ہوں/ ہیں۔

دستخط کردہ ____________

یہ میرے/ ہمارے ہاتھ کے دستخط شدہ ہے/ ہیں ____________ دن ____________ 2025

گواہ نمبر 1

نام: ____________

شناختی کارڈ نمبر: ____________

پتہ: ____________

گواہ نمبر 2

نام: ____________

شناختی کارڈ نمبر: ____________

پتہ: ____________

نوٹ:

الف۔ دستخط، کمپنی کے ساتھ رجسٹرڈ نمونہ کے دستخط یا CNIC پر دستخط (کسی CDC شیئر ہولڈر کی صورت میں) کے ساتھ ملنے چاہیں۔

ب۔ کسی نمائندہ کو کمپنی کا ممبر ہونے کی ضرورت نہیں ہے۔

پ۔ نمائندے کا فارم (اسکین کاپی) مناسب طریقے سے CNIC کی تصدیق شدہ کاپیاں یا نمائندہ کے پاسپورٹ کے ساتھ info.shares@famcosrs.com پر اجلاس سے 48 گھنٹے پہلے (چھٹی کے علاوہ) بھیجے جائیں گے۔

ت۔ نمائندے کے فارم پر دو افراد کی گواہی موجود ہو اور دونوں گواہوں کے نام پتے اور قومی شناختی کارڈ نمبر درج ہوں۔

ٹ۔ کسی کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی ریزولوشن/ پاور آف اٹارنی مع نمونہ دستخط نمائندے کے فارم کے ساتھ info.shares@famcosrs.com پر بھیجے جائیں۔

PAKISTAN TOBACCO COMPANY

Pakistan Tobacco Company Limited,
Serena Business Complex Khayaban-e-Suhrwardy,
Islamabad, Pakistan

Tel: +92 (51) 2083200-01

Fax: +92 (51) 2604515-17