

# POWER OF BELIEF

Annual Report  
2025

**Power of Belief** reflects our unwavering commitment to the values that have shaped our journey and continue to guide our future. It is this belief that fuels our resilience in the face of challenges, inspires innovation across generations, and strengthens our bond with stakeholders.

This year's theme celebrates the conviction that drives progress. From the seasoned expertise of our workforce to the trust of our partners and communities, belief is the invisible force that transforms vision into reality. As we reflect on our milestones and look ahead, we remain grounded in the belief that strength is not just built - it is sustained through purpose, integrity, and shared ambition.



***World of Colour & Fragrance***

Artist: Hooria Khan

Medium: Gouache, Gold Ink & Oxidized Gold/Copper Leaf on Wasli

Dimensions: 20 x 13.5 inches

**World of Colour & Fragrance** explores belief as a quiet, enduring force. Layered stains, textures, and gestures unfold like memories. It reveals how belief forms slowly yet persistently within us. Amid shifting colours and shimmering metal leaf, belief appears. It is both fragile and resilient and is able to withstand doubt, evolve with experience, and rise through uncertainty. In this piece, belief becomes both an anchor and a horizon, holding meaning together and gently illuminating the path forward.

# AWARDS & ACCOLADES

## Leading Exporter Recognition - 2025

PTC has been recognized by the Government of Pakistan as one of the country's leading exporters for 2025, highlighting our strong contribution to national economic growth. With exports exceeding USD 200 million since 2018, this recognition reflects our world class manufacturing standards and growing global footprint.



## Top Employer Award - 2026

The Top Employer Award recognises companies with exceptional workplace culture and employee practices. We are proud to be named as the Top Employer in Pakistan for the sixth time in seven years. This reaffirms our commitment to creating an inclusive and fulfilling environment for our employees.

## Global Diversity, Equity & Inclusion Benchmark Award - 2026

The Global Diversity, Equity & Inclusion Benchmarks (GDEIB) Awards honour organisations worldwide for leadership in DE&I excellence. In 2026, we were honoured with GDEIB awards across ten categories, underscoring our ongoing dedication to fostering a progressive and people - centric workplace.



## MAP Corporate Excellence Award - 2025

Management Association of Pakistan (MAP) is committed to advancing management excellence by developing human capital, raising awareness, and promoting best practices to strengthen organisational competitiveness. In 2025, PTC received MAP's 40<sup>th</sup> Corporate Excellence Award in the Tobacco sector. This underscores our commitment to strong governance, leadership, and organisational performance.

## Water Stewardship and Management Award 2025

We earned the Water Stewardship and Management Award at the Overseas Investment Chamber of Commerce & Industry ( OICCI ) Climate Excellence Awards during the 4<sup>th</sup> Pakistan Climate Conference. The recognition highlights PTC's strong integration of water resilience into its strategy, governance, and operations. Through Alliance for Water Stewardship (AWS) alignment, advanced digital monitoring, and rigorous risk assessments, we set an industry benchmark for responsible water management. This accolade reinforces our continued commitment to sustainable water practices and long term environmental resilience in Pakistan.



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# BAT GROUP OVERVIEW

**BAT's regional profile maximises opportunities for quality growth in its sector.**

## BAT's Guiding Principles

### BAT's purpose, vision and mission

BAT believes that A Better Tomorrow™ can be achieved by building a smokeless world. For this reason, the Group focuses on offering adult consumers a choice of reduced-risk alternatives to cigarettes. This commitment is reinforced by the ambition to become a predominantly smokeless business by 2035.

### Where BAT operates

BAT's business is divided into three complementary regions, with a balanced presence in high-growth emerging markets and highly profitable developed markets. Each market is responsible for its own performance and for driving growth.

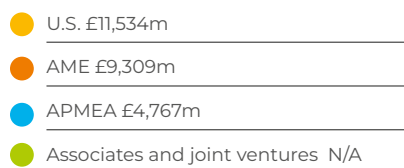
## Three Complementary Regions



# £25,610M

BAT's Total revenue

## Revenue by Region



### Note:

Map is accurate as at 31 December 2025 and is representative of general geographic regions and does not suggest that the Group operates in each country of every region.

5

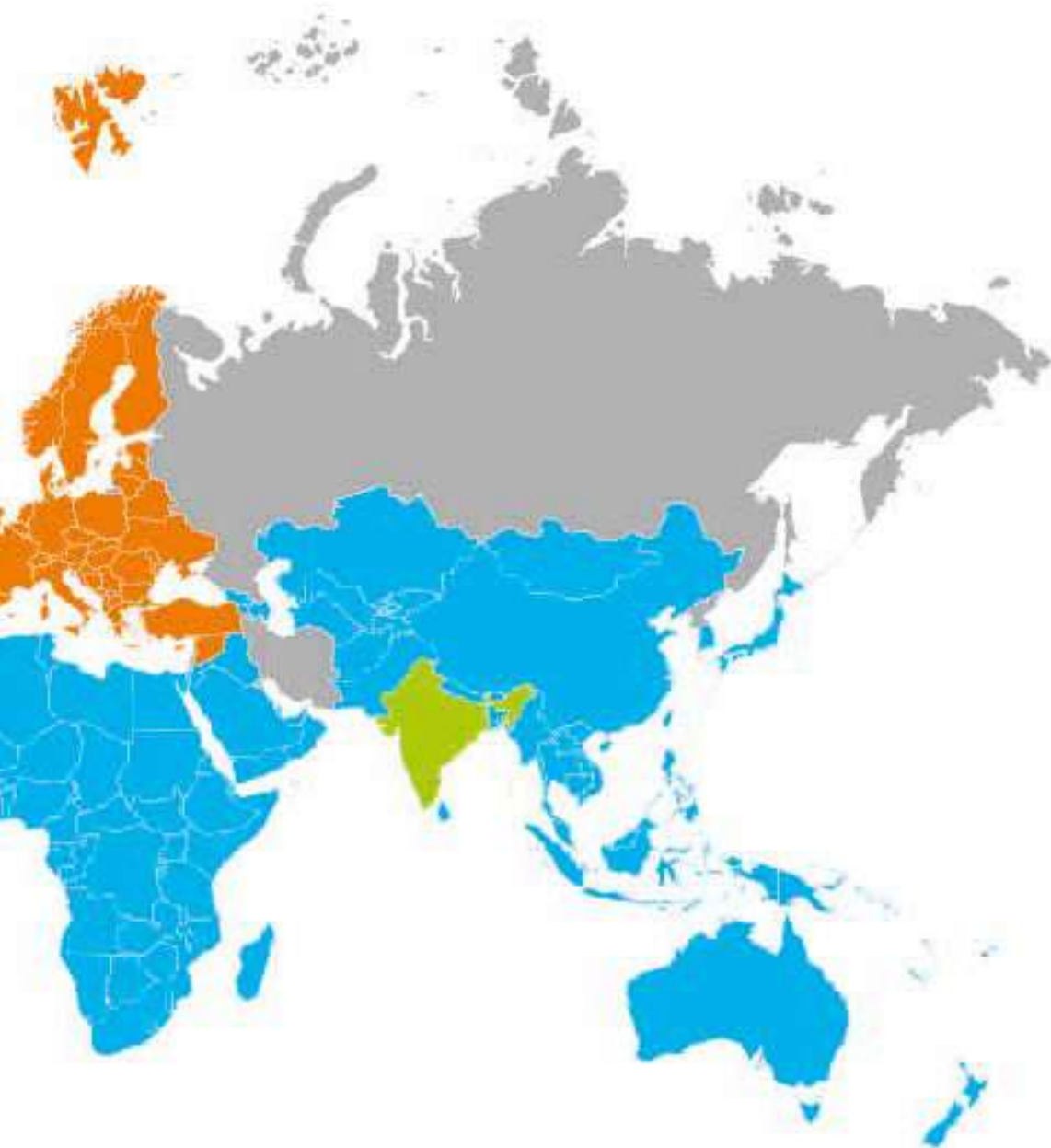
Major Product Categories

137

Employee Nationalities

47,000+

Employees Globally



**Top Market by Product Category**

● **Combustibles**

Brazil, Germany, Mexico, Romania, Japan, Pakistan & U.S.

● **Heated Products**

Germany, Greece, Spain, Italy, Poland, Romania, Czech Republic, Portugal, Japan & South Korea

● **Vapour**

Canada, France, Germany, Poland, Spain, UK & U.S

● **Modern Oral**

Denmark, Norway, Sweden, Switzerland, Poland, UK & U.S.

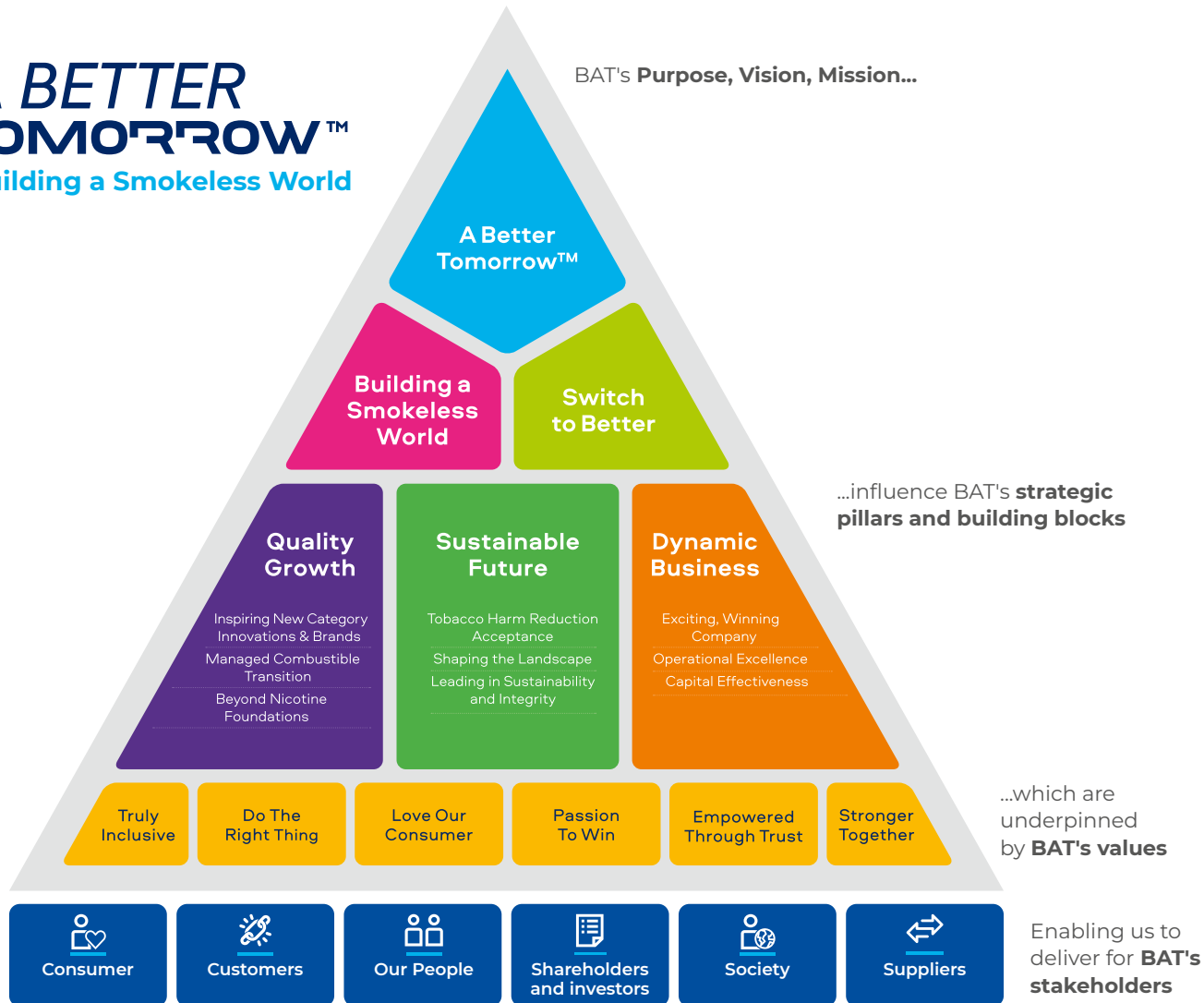
**Note:**  
The group also sells Traditional Oral in the US and AME.

# BAT GROUP STRATEGIC NAVIGATOR

## BAT's Strategic Navigator

To achieve its ambitions and accelerate its transformation, the Group is committed to Building a Smokeless World by deploying its global multi-category portfolio.

**A BETTER TOMORROW™**  
Building a Smokeless World



### Quality Growth

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

### Sustainable Future

Seeking to actively migrate adult smokers, who would otherwise continue to smoke, to smokeless alternatives responsibly and with integrity.

### Dynamic Business

Building a future-fit, data-driven organisation and ensuring efficiency and effectiveness in all of the Group's operations.

# OUR VALUES



# 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

## 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

## 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

## 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

## Company Secretary

Sami Zaman  
T: +92 (51) 2083200-1

# REGIONAL AND AREA SALES OFFICES

## 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

## 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-C,7-B  
Kohinoor City, Faisalabad.  
T: +92 (41) 8740892-4

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

## 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

PTC Area Office,  
Marina Mall 2nd floor, opposite  
chief burgers, University road  
Peshawar, KPK.  
T: +92915702649

## 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

Bangalow # A-07,  
Near Thalassemia Center,  
Housing Society, Nawabshah  
T: +92 (244) 370497, 370498

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

# PTC's PRODUCT PORTFOLIO



## New Categories

**VELO** was 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 & 17mg and two pouch formats, Mini and Slim.

## Flavours included

(across the nicotine ranges):

**Polar Mint – Berry Frost – Rich Elaichi – Purple Grape – Mango Flame – Wintry Watermelon – Frosty Lemon – Strawberry Ice – Tropical Ice**

\*THESE PRODUCTS ARE ARTIFICIALLY FLAVOURED.\*  
18+ ONLY. THIS PRODUCT CONTAINS NICOTINE AND IS ADDICTIVE. KEEP OUT OF REACH OF CHILDREN.



## Combustibles



### DUNHILL LIGHTS | DUNHILL SWITCH | DUNHILL SPECIAL

A global drive brand that continues to demonstrate remarkable resilience in a highly challenging pricing environment. Dunhill has firmly secured its place within the premium segment as the most elevated offering in our portfolio, consistently leading market innovations since its launch and maintaining strong relevance among premium-seeking consumers.



### JOHN PLAYER GOLD LEAF CLASSIC

An iconic brand deeply rooted in global heritage, tracing its origins back to 1877 with the founding of John Player & Sons. Over the decades, it has evolved into a distinguished premium offering. In Pakistan, JPGL remains the largest and most influential premium cigarette brand, upheld by its superior taste and unwavering consumer trust.



### BENSON & HEDGES

Benson & Hedges entered the market as an aspirational premium (AP) brand and has since built its presence with renewed strength. Backed by its rich heritage and loyal consumer base, B&H continues to gain momentum, establishing itself with growth that surpasses its historical benchmarks.



### CAPSTAN BY PALL MALL ORIGINAL | CAPSTAN BY PALL MALL ELITE

Capstan by Pall Mall is the #1 brand in the country, and Pakistan is the top market globally for Pall Mall in terms of volume. Its consistent performance and deep-rooted consumer affinity makes it one of the most preferred and enduring cigarette brands in the country.



### JOHN PLAYER

Introduced in 2018, John Player stands as a modern aspirational premium brand tailored for consumers who want the authentic John Player experience at an affordable price.



### EMBASSY

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



### CAPSTAN FILTER | CAPSTAN SELECT | CAPSTAN INTERNATIONAL

Capstan is a legacy brand with decades of resilience and a deeply entrenched loyal consumer base. Capstan Select was recently launched in the low-price segment in selective markets to combat illicit threat.



### GOLD FLAKE | GOLD FLAKE SOFT CUP

A heritage-rich brand with decades of consumer loyalty, Gold Flake remains an iconic name within the Pakistani cigarette landscape. Its smooth taste and longstanding reputation have ensured its continued popularity across generations.



### Lucky Strike Berry | Lucky Strike Mint

Lucky Strike, a global brand, was launched in Pakistan and is available in Mint & Berry. Leveraging its global presence, the brand strategically targets a niche consumer segment to build relevance and drive growth.

# ABOUT PTC

**For 78 years, Pakistan Tobacco Company Limited has been a driving force of resilience, innovation, and progress. As Pakistan's first multinational company, we have played a pivotal role in shaping the country's industrial and economic landscape.**

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From our incorporation in 1947, with a single warehouse near Karachi port, we have grown into one of the leading Fast-Moving Consumer Goods (FMCG) companies, setting quality standards and leading in transformative measures.

We introduced 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. We have evolved into a multi-category business since the launch of VELO™. Our Modern Oral manufacturing facility in Jhelum now serves as an export hub, exporting to Japan, Hungary, France and Peru.

Today, as we export our products 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 in Pakistan. As part of BAT Group's global ambition of Building a Smokeless World, PTC remains committed to creating A Better Tomorrow™ where resilience, innovation, and progress go hand in hand.



# OUR LOCATIONS

02 

## Factories

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

04 

## Regional Sales Offices

Lahore, Multan, Karachi and Rawalpindi

06 

## Regional Leaf Offices

Mardan, Swabi, Buner, Mansehra, Swat and Mianwali

11 


## Area Sales Office

Gujranwala, Faisalabad, Sahiwal, Bahawalpur, Sukkur, Nawabshah, Quetta, Hyderabad, Sargodha, Jhelum and Peshawar

09 

## Warehouses

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

12 

## Leaf Depots

Shergarh, Roshanpura, Buner, Baffa, Swat, Kunjah, Jamalgarhi, Faujoon, Sharifabad, Yar Hussain, Mandani and Pindighaib

# OUR PEOPLE

**Our people are central to our progress. Their passion, capability and commitment drive our performance. In 2025, we continued to build a workplace where everyone can grow, contribute and lead with confidence. We strengthened an environment that supports purposeful development, meaningful engagement, that values diversity, inclusion and employee wellbeing. These efforts are helping us build a culture that empowers our teams and creates an energising and meaningful place to work.**

## Talent and Capability

In 2025, we deepened our investment in talent and capability through flagship programmes and targeted initiatives aligned with the Group's leadership capabilities and our strategic talent agenda.

A major highlight was the launch of Rising Leaders, for early-career high-potential employees. Pakistan was selected as a pilot market, with 24 participants (G33-G34) completing three digital workshops across four months. Rising Leaders focused on accelerating early leadership capability, strengthening enterprise thinking, and embedding our new Leadership Capabilities among our future leaders.

Our early-career pipeline also grew through the Accelerate Program, which continued to develop functional and leadership skills for young Marketing professionals.

Transcend, our two-day immersive induction experience, successfully onboarded 60 Territory Managers, connecting them with senior leaders and offering first-hand exposure to our Jhelum factory operations.

Uraan, a six-month trade apprenticeship initiative, focused on developing young talent from need-based scholarship backgrounds, with five apprentices gaining hands-on experience across Pakistan.

Through these programs, we will continue to develop the right skills and experiences for our people to thrive, and help steer us towards A Better Tomorrow™.

## Employee Engagement & Inclusion

Together, we continued on a purposeful inclusion journey, one that empowers individuals, strengthens performance, and ensures everyone at PTC has the opportunity to thrive.

Across PTC, multiple engagement interventions including Let's Talk, Functional and Company-wide townhalls, JF Talkies, CommuniCafé, and GG Day strengthened connection, dialogue, and collaboration. This gave employees more opportunities to engage with leadership, celebrate wins, and shape the future of our culture.

The People & Culture Club strengthened its three core workstreams Engagement, Rewards, and Culture &

Inclusion, enhancing the employee experience across locations.

The Engagement stream expanded this year with the launch of the PTC Sports Club, offering employees regular opportunities to connect through hiking, futsal, padel, golf, and other activities. Festivities and milestone celebrations, further contributed to building a vibrant and connected workplace.

The Culture & Inclusion stream deepened belonging through Humrah expeditions and personal touches such as birthday cakes delivered to employees' homes. Humrah remained a flagship experience, an immersive wilderness-based expedition fostering self-awareness, collaboration, resilience, and connection to Company values. Employees returned from this journey with renewed purpose and strengthened leadership potential.

Our approach to inclusion also focuses on creating an environment where our people feel supported and valued. Through LiveWell, Group's wellbeing platform, we supported employees across the four pillars of wellbeing including physical, emotional, financial, and social wellbeing. Initiatives such as the Step-Up Challenge encouraged healthier lifestyles while also strengthening connection and team spirit across the organisation. Wellbeing remains a core part of how we support our people.

BAT Group's first time Inclusion Survey achieved 89% response rate and an Inclusion Index Score of 85%, exceeding the FMCG benchmark by seven percentage points. The Group's Engagement Survey followed in September, with 90% participation and an engagement score of 85%, up one point year-on-year and ahead of our global FMCG comparator group by five points.

PTC's continued progress was recognized through multiple external accolades. We were named an International Top Employer 2026 for the sixth time in seven years and received recognition across ten GDEIB categories, reflecting the strength of our people practices.

Our role as a Talent Export Hub continued to grow, with more than 100 PTC employees currently serving in global roles across BAT and two homegrown leaders now serving on BAT Group's Management Boards. Over the past three

years, more than 25 percent of our global talent exports have been women, reinforcing our commitment to advancing female leadership both locally and internationally. While continuing to foster a culture of growth, capability-building and continuous development.

As part of our commitment to building an inclusive environment, we upskilled employees through the Truly Inclusive Leaders workshops, creating space for open conversations and reflection on inclusive leadership. These sessions focused on behaviours that enable inclusive teams, including psychological safety, empathy, and the ability to lead diverse, high performing teams.

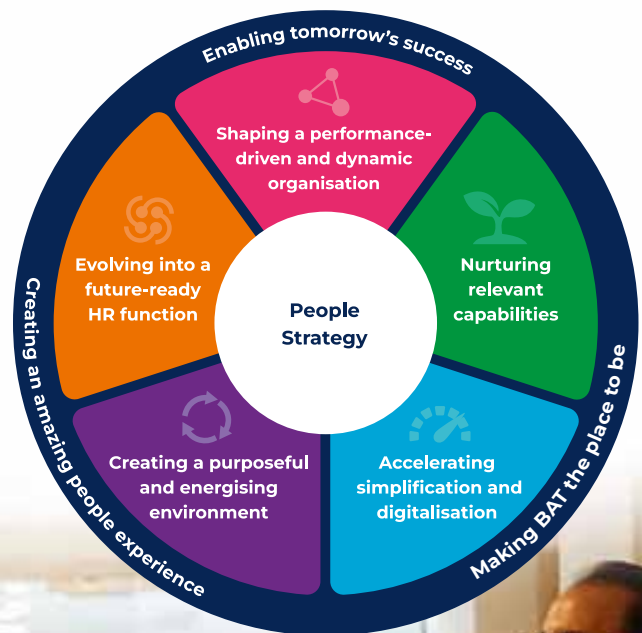
Women in PTC, our employee resource group dedicated to empowering women, continued to foster community and support across the organisation. We launched the Serenity Lounge this year. It is a dedicated space for women to rest, unwind, and recharge.

These achievements are made possible by the commitment of our leadership and the collective efforts of our people.

## Statement on Gender Pay Gap

Our compensation framework adheres to a structured and transparent pay system, with ranges established for each grade to ensure fair application regardless of gender. This approach protects fairness, transparency, and equal opportunity for growth.

## BAT Group's People Strategy



# OPERATIONAL EXCELLENCE

In 2025, despite severe national disruptions that halted transportation and strained supply chains, PTC maintained stock availability and sustained connectivity through agile responses and alternative transport modes. The year also marked the successful launch of the Ultimate Control Tower (UCT), a capability that enhances end-to-end visibility, strengthens decision making and drives value.

## Recognition

### 2025 Quality Excellence Award

Quality Assessment Tool Score 3.8 (JF) 3.7 (AKF) Scorer Globally

### Globally Lowest Consumer Complaints

0.08 complaints per million for Modern Oral Pouches

### New Product Innovation (NPI) Launches

New flavours, 4 new Export Markets NPIs, Capstan by PallMall Elite, Lucky strike, Capstan Select

## Certifications

### ISO 9001-2015 Certification

Certification for quality management systems

### ISO 17025

Certification for competence of testing and calibration laboratories

## Pakistan Integrated Work Stream & Technical Crew

The Pakistan IWS & Technical (PIT) Crew is a specialized pool of technically proficient resources who deliver operational trainings and drive performance improvements in the factory operations in other countries within the Group. This Crew expanded to seven countries from Pakistan, in 2025, deploying three new cohorts to Nigeria. The team also expanded to Bangladesh, extending their area of expertise to quality and Green Leaf Threshing PIT Crew models. Our Crew has also now been deployed in the U.S extending Pakistan's technical footprint across continents.

## Integrated Work System (IWS)

IWS Phase 3 completion delivered a step-change in capability, productivity, and end-to-end performance. A synchronized supply chain and disciplined Loss-mapping approach embedded a zero-loss culture and unlocked significant value.

## Score 100

PTC's operations surpassed the 100-minute Mean Time Between Failures (MTBF) benchmark. This was enabled

by a rigorous campaign, empowering continuous improvement culture by leveraging IWS tools to target component-level top losses through digital and technical innovations and notable improvements in quality.

## Digitally Enabled Operations: Navigating Industry 4.0

Our digital transformation accelerated with in-house tools supporting our ambition for touchless operations through minimizing operator intervention and automation-ready processes.

PTC operations are aligning itself with Industry 4.0 principles, which is the integration of digital systems for efficient and self-regulating factories. This shift integrates key technologies including Internet of Things (IoT), Business Intelligence (BI), Artificial Intelligence (AI), and Cloud Computing to enhance operational efficiency, decision-making, and overall competitiveness. A key enabler to progress towards IWS Phase 4.

Octagon, our flagship BI platform, provides a concise and powerful view of Manufacturing Excellence. It helps in providing insights for operational blind spots



by analysing the data, existing in our system resulting in enabling prompt decision making. Dextor, our AI-powered digital assistant, captures operational learnings and responds to the technical queries in a multilingual environment.

### **Robust Procurement**

PTC Procurement faced challenges due to macroeconomic factors. Following the foreign exchange volatility of 2023, the team transitioned from traditional import based sourcing to an accelerated localization journey. We successfully transitioned over 55% of our materials to local sources resulting in cost efficiency.



# LEAF INITIATIVES

## Wood Traceability Verification

Verification of wood used in construction and curing processes to ensure it is sourced responsibly from production sites and not derived from deforested or converted natural forest land.



# 100%

Wood sourcing & traceability verified



# +140

Farmers interviewed for the traceability report



# +10

Production sites visited for traceability verification

Wood sourcing for tobacco curing is our critical focus area throughout tobacco supply chain, especially in smallholder settings. In these systems, ESG assurance depends not only on strong policies but also on credible evidence that sourcing controls work effectively where environmental risks are highest. With growing global expectations around deforestation, biodiversity protection and responsible biomass use, we commissioned an independent verification to assess the performance and credibility of our wood-sourcing and traceability framework for tobacco curing and barn infrastructure. The findings confirm that our wood is responsibly sourced and 100% compliant.



## Adopt A Forest

Ensuring environmental excellence, PTC embarked on the journey of protecting native forests through the adoption of a 200-hectare conservation site in Nizampur known as Manglot Forest in collaboration with the forest department of Government of Khyber Pakhtunkhwa.



# 200

HA Conserved



# 24/7

Forest protected by  
guards every 40 HA



## New Sapling Provision

Free saplings distributed and planted in collaboration with the Government and community

## Safeguarding a Biodiversity Rich Conservation Site

Through our partnership with the Government, 200 hectares of forest land have been set aside as a carbon sequestration zone and safeguarded for the future generations. No deforestation is permitted here, and the area is being actively protected to preserve its biodiversity with support from the local community. It's a strong example of what community collaboration can achieve.

# BAT GROUP'S SUSTAINABILITY STRATEGY

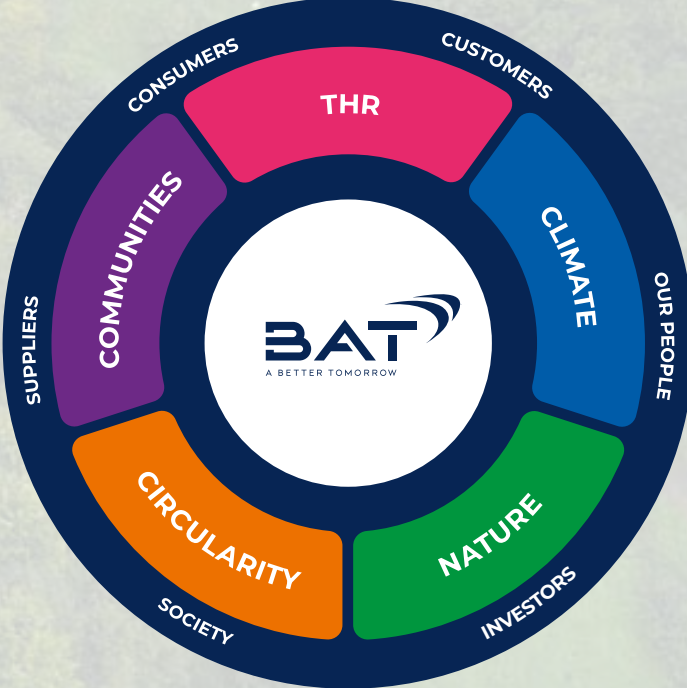
**In progressing A Better Tomorrow™, In line with BAT Group's strategy, PTC is progressing for A Better Tomorrow™, it is embedding sustainability considerations into its strategic decision-making and operations: restoring and regenerating ecosystems and maintaining the trusted relationships it has built with local communities.**

# BAT Group's Sustainability Strategy

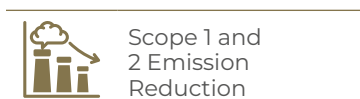
In addition to THR\*, our sustainability strategy is anchored in four interconnected impact areas:

- CLIMATE
- NATURE
- CIRCULARITY
- COMMUNITIES

\*Tobacco Harm Reduction



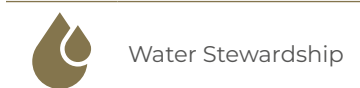
# PTC's 2025 SUSTAINABILITY HIGHLIGHTS



Scope 1 and 2 Emission Reduction



Renewable Energy



Water Stewardship



Afforestation



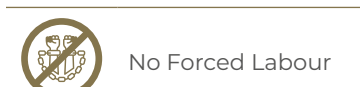
Waste Recycling



Less than 1% Waste to Landfill



Zero Child labour



No Forced Labour



Women Empowerment



Youth Skills Development



Farmer Livelihood



Farmer Safety

## Climate

- Our Scope 1 & 2 CO<sub>2</sub> emissions decreased from 20,611 thousand tons in 2020 to 9,680 thousand tons in 2025, representing a 53% reduction supported by our biomass boiler, I-RECS purchase, solar park and digitalization of HVAC operations.
- Commissioned BAT's first ever multi-fuel biomass boiler to reduce Scope 1 emissions by more than 75% in Jhelum factory.

## Nature

- Both of our factories are Alliance for Water Stewardship (AWS) Certified.
- PTC's two factories achieved water recycling rates of over 48% in 2025.
- 200 Ha Forest land adopted in collaboration with the forest department, Government of Khyber Pakhtunkhwa to be safeguarded from illegal grazing, fire, logging and illegal cutting through provision of forest guards to ensure environmental sustainability.

## Circularity

- Both of our factories reduced solid waste generation and achieved a waste recycling rate of 99%.
- In alignment with BAT Group's goal of reducing operational waste to less than 1% by 2025, PTC has consistently reduced landfill waste, achieved the milestone of 0 tonnes waste to landfill in 2025.
- 100% farmers covered for CPA waste-collection program, through which it is then recycled and converted into wooden chips.

## Communities

- In 2025, PTC collaborated with a partner non-profit organisation to operate 50 summer camps across Swabi, Mardan, Charsadda, Buner, Mansehra, Mianwali, Okara, and Gujrat, enrolling over 2,500 children. These children participated in positive learning activities including arts, science, mathematics, health & hygiene, and sports. The ambition is to scale up to 400 summer camps by 2030, covering 100% of contracted farmers' children.
- In 2025, PTC partnered with another organisation to run 10 Youth Skills Development Centres in the Swabi and Mardan areas. The program includes computer software training, agribusiness, farm economics, leadership, and communication skills to empower adolescent girls and boys from farmer communities. In 2025, a total of 500 students enrolled in the program. The plan is to scale it up to 60 centres, targeting 3,000 students by 2030.
- PTC partnered with the National Rural Support Program to conduct training sessions for farmers' families. This program covers 10,000 farmer families, offering Women Empowerment sessions that include all families of PTC-contracted farmers. PTC also distributed 3,500 Kitchen Gardening Packs to these families as part of the training initiative. This effort supports households in boosting their domestic income and improving farmers' livelihood.
- PTC operates a fleet of 12 Mobile Doctor Units (MDUs), 6 of which are stationed in leaf-growing regions. Equipped with state-of-the-art healthcare technology, the fleet continues to expand its reach. These services now span 11 districts across KPK and Punjab, benefiting 140,000 community members. In 2025 alone, PTC organized five health camps to further support the wellbeing of these communities.

# TRACKING PROGRESS

## PTC's Performance against BAT Group's Targets

### Climate

25% absolute reduction in Scope 1 and 2 GHG emissions by 2025

Total Scope 1 and 2 Market Based CO2 emissions (thousand tonnes)



Scope 1 CO2 emissions (thousand tonnes)



Scope 2 CO2 emissions (thousand tonnes)



50% Renewable energy use by 2030

Total energy use within PTC (GJ)



Renewable energy use (GJ)



Renewable energy use as % of total direct energy use



### Nature

30% water recycling rate by 2025

Total water recycled in PTC (cubic meters m³)



Percentage of total water recycled in comparison to water withdrawn (%)



100% of operations sites to be AWS certified by 2025

Percentage of AWS certified sites (Jhalem & Akora Khatriak Factories)



25% less water use by 2025

Reduction in water withdrawn vs 2017 baseline (%)



Total water withdrawn (cubic meters m³)



### Circularity

Less than 1% of Group's Operations Waste to Landfill

Total Waste Generated in Tonnes



Waste to Landfill in Tonnes



30% recycling rate of total waste generated by 2025 across BAT Group's own operations

Total waste recycled (%)



### Communities

Committed to enabling prosperous livelihoods for all farmers in our tobacco supply chain

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 (%)



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

Percentage of farms reported to have sufficient PPE for agrochemical use and harvesting (%)



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

Percentage of female representation in management roles (%)



Percentage of female representation in senior leadership teams (%)



### Other Important Highlights

Number of established SoBC branches



Support through charitable donations and community investment programmes

Total Contributions in Millions



**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 94% 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.



# Omni™

Forward Thinking for a  
Smokeless World

**The Omni™ is a summary of  
BAT's progress on our journey  
to A Better Tomorrow™ by  
Building a Smokeless World.**

In the year 2025, Pakistan was the first end market of BAT Group to launch Omni in Pakistan following its global launch.

A Smokeless World built on smokeless product where, ultimately, cigarettes have become a thing of the past.

A world where Tobacco Harm Reduction is both understood and accepted.

A world where smokers make a switch to better.

We believe that through knowledge sharing we can build that world, which is why we created the Omni™, a resource intended for scientists, public health authorities, regulators, policy makers and investors.



Read more about Omni™.  
Scan the QR Code

[www.asmokelessworld.com](http://www.asmokelessworld.com)





**The best choice any adult smoker can make will always be quitting combustible tobacco products completely.**

Over the last few years the Group's aim has been to build A Better Tomorrow™. This means working to reduce the health impact of BAT's business by offering adult consumers, who would otherwise continue to smoke, a greater choice of reduced-risk\* products compared to cigarettes.

\*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

# VELO™ IN PAKISTAN

## SMOKELESS PRODUCTS

We launched one of our most significant Tobacco Harm Reduction campaign, highlighting benefits of the reduced risks\* of our Modern Oral products.

This was followed by the launch of two new icy flavours, further strengthening VELO™'s flavour portfolio and enhancing consumer choice. Tapping into one of Pakistan's strongest cultural passions for music - VELO™ also launched the 3<sup>rd</sup> season of VELO™ Sound Station, an experiential platform created to drive deeper cultural relevance and meaningful engagement with adult consumers.

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 interests, building a strong brand, and fostering portfolio and capability development.

## VELO™'s DIGITAL PRESENCE

VELO™ introduced stand-up comedy as a unique engagement platform, blending digital and experiential activations.

In 2025 VELO™ continued its 'The Weirdly Wonderful' Tobacco Harm Reduction campaign, elevating brand positioning as a leading nicotine alternative across digital forums. Leveraged innovative, best-in-class digital execution to deliver strong performance, culminating in recognition with the Black Dragon powered by Dragons of Pakistan.

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

\*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.



\*THESE PRODUCTS ARE ARTIFICIALLY FLAVOURED.\*  
18+ ONLY. THIS PRODUCT CONTAINS NICOTINE AND IS ADDICTIVE. KEEP OUT OF REACH OF CHILDREN.

# FACTORY MANUFACTURED CIGARETTES (FMC)

2025 marked a landmark year for our FMC portfolio, driven by strategic launches and disruptive innovations that reinforced PTC's leadership in the legitimate market.

We began the year with the launch of Capstan by Pall Mall Original Limited-Edition Packs (LEPs), underlining its position as one of the leading brands. This was followed by the John Player Gold Leaf LEP, reaffirming the brand's distinct and superior taste credentials.

A major milestone was achieved with the introduction of Capstan by Pall Mall Elite, one of the biggest launches in PTC's recent history, strengthening the Pall Mall brand's position in the market.

Demonstrating our agility and category leadership, we introduced Flavours & Sensations in the Value for Money (VFM) segment by launching a Global Brand, Lucky Strike, offering a disruptive value proposition tailored to shifting consumer dynamics. This momentum continued with the pilot launch of Capstan Select in the low segment, expanding our portfolio to capture price-pressured consumers.

These initiatives underscore PTC's readiness to maintain leadership of the legitimate market in the FMC Category, combat Duty-Not-Paid and Smuggled Brands, and introduce bold, consumer-centric offerings. Additionally, price communication and flash campaigns were executed nationwide to reinforce price compliance and effectively curb counterfeiting.

# ILLICIT TRADE

## A Persistent Threat to Revenue and Fair Competition

Illicit cigarette trade in Pakistan is a major economic and regulatory challenge to government revenue. The issue stems from the high Federal Excise Duty imposed on cigarette manufacturers, which substantially increases retail prices for legitimate producers, while illicit manufacturers evade fiscal laws and avoid these costs. As illicit manufacturers do not comply with the fiscal laws, this price disparity pushes consumers to shift toward cheaper, untaxed, and illicit cigarette brands. Weak enforcement mechanisms, porous borders, and the presence of counterfeit products contribute to the growth of this black market. As a result, illicit trade now accounts for a substantial share of the tobacco market in Pakistan, posing serious fiscal and social consequences.

Despite multiple enforcement and policy initiatives by the Government of Pakistan in the past, including the introduction of the Track and Trace System (TTS), the illicit cigarette trade continued to escalate. In 2025, this illegal market remained sizeable, reflecting the limited effectiveness of these measures. The TTS, while conceptually robust, has yet to deliver its intended impact, with only two manufacturers (including PTC) achieving full compliance. Most industry players remain either partially compliant or entirely non-compliant. The challenge of curbing illicit cigarette trade is further compounded by production facilities in Azad Jammu and Kashmir (AJK), which remain outside the Track and Trace System (TTS) framework. This allows significant volumes of tax-evaded cigarettes to enter the national market unchecked. Following the Federal Budget 2025–26, the Government reinforced its commitment to enforcement by introducing stringent policy measures and ensuring their implementation in letter and spirit. This resolve has yielded positive outcomes. However, we have seen illicit manufacturers shift their operations, moving closer to consumer markets, leading

to the emergence of micro-production sites in Sindh and Southern Punjab that remain non-compliant to all laws and regulations. This shift has added complexity to enforcement efforts and continues to fuel the growth of the illicit cigarette trade across the country.

Retail-level enforcement continues to be the weakest link, constrained by limited resources. Without systematic inspections at retail level, progress elsewhere in the supply chain may not deliver sustainable results.

Enforcement efforts in 2025 gained significant momentum compared to previous years. The Federal Board of Revenue introduced new legislation aiming to curb illicit cigarette trade. With support from Inland Revenue Enforcement Network (IREN), Pakistan Customs and other law enforcement agencies extensive raids were conducted on factories, warehouses and transport routes. These operations resulted in the seizure of large quantities of illicit cigarettes and raw materials sufficient to produce more than 10 billion sticks, alongside the sealing of multiple illegal facilities in Khyber Pakhtunkhwa (KP) and Azad Jammu & Kashmir (AJK). These actions highlight both the scale of the illicit trade and the entrenched networks sustaining it, while demonstrating the potential impact of sustained and determined enforcement.

While encouraging progress has been made, sustained efforts, stronger implementation, and enhanced retail-level enforcement is needed to sustain momentum and drive meaningful impact. A comprehensive, multilayered strategy addressing every stage of the supply chain is essential to restore confidence among compliant businesses, attract investment, and ensure fair competition. Ultimately, such efforts will reinforce the rule of law and contribute to strengthening Pakistan's economy.



# BOARD OF DIRECTORS



**Mr. Nasir Mahmood Khan Khosa**

Chairman

Mr. 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 the rank of 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.



**Syed Ali Akbar**

Managing Director & CEO

Mr. Akbar joined PTC in 2019 as Marketing Director, bringing over 20 years of leadership experience across multinational and Fortune 500 companies in Pakistan, the Middle East, North Africa, and North America. His expertise spans general management, sales, marketing, business development, supply chain, and M&A. He began his career at Unilever Bestfoods and went on to hold senior roles at Engro, British American Tobacco, and The Coca-Cola Company, where he received the Global Award Zenith of Recognition in 2018. He joined the PTC Board in 2019 and was appointed Managing Director and CEO in March 2021.



**Mr. Ahad Khan**

Director Finance & IDT

Mr. Khan is a Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Pakistan and a US-licensed Certified Public Accountant (CPA), with membership in the AICPA. He began his career at PricewaterhouseCoopers in Pakistan and the United States and gained senior finance leadership experience with Fortune 500 companies, including Unilever. He joined British American Tobacco in 2014, holding finance leadership roles across multiple international businesses, and was appointed Executive Director and Chief Financial Officer of Pakistan Tobacco Company Limited in April 2025.



### **Ms. Mona Iskandarani**

Non-Executive Director

Ms. Iskandarani joined the BAT Group United Arab Emirates in 2023 as Area Head of Legal and CORA, APMEA West, bringing a vast experience of over 15 years working within the industry across United Arab Emirates, Switzerland and Jordan. Her most recent role before joining BAT was the Director for External Affairs looking after Middle East at Philip Morris International.



### **Syed Asad Ali Shah**

Director Legal and Corporate & Regulatory Affairs

Mr. Shah brings over 24 years of experience with Pakistan Tobacco Company Limited, having held key managerial positions across Marketing, Supply Chain, and Corporate & Regulatory Affairs. Before his appointment as Director Legal and Corporate & Regulatory Affairs in August 2018, he served as Head of Government Affairs. He has been a member of the PTC Board since 2019. Mr. Shah holds a Master's degree from the Cranfield University School of Management.



### **Lt. Gen. (R) Najib Ullah Khan**

Independent Director

Mr. Khan served in Pakistan Army for 35 years. A graduate of Military College of Engineering, Staff College Camberley (UK) and the National Defense University, he had an illustrious career in the military. During his commendable service to the country, he served as the Quarter Master General and Engineer in Chief. He Commanded a Strike formation in Kharian and was also Director General, Frontier Works Organisation. Post his retirement from Pakistan Army, he served as the Vice Chairman and Managing Director of the Army Welfare Trust. Currently, he serves on the board of Cadet College Hasanabdal and Himalayan Wildlife Foundation. He was elected on the Board of Pakistan Tobacco Company Limited in 2022.

# BOARD OF DIRECTORS



**Mr. Asif Jooma**

Independent Director

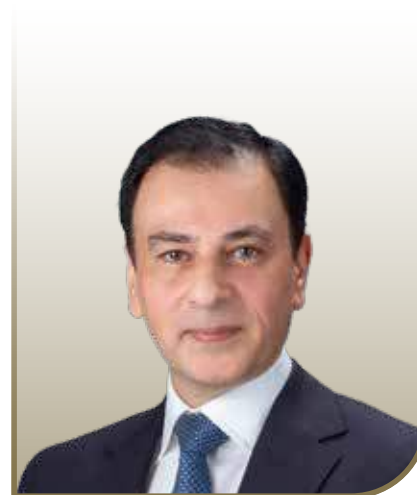
Mr. Jooma began his corporate career with Lucky Core Industries Limited (formerly ICI Pakistan Limited) in 1983. With 40 years of extensive experience in senior commercial and leadership roles, he has worked in Pakistan and the UK and was Managing Director of Abbott Laboratories Pakistan Limited from 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, International Industries Limited, NIFT 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 and previously served on the Board of Indus Valley School of Art and Architecture. He holds a Bachelor of Arts, cum laude, in Development Economics from Boston University and has attended Executive Development programs at INSEAD and Harvard Business School.



**Mr. M. Sualeh Ahmed Faruqui**

Independent Director

Mr. Faruqui is a retired Pakistani civil servant. His last assignment was as the Federal Secretary Commerce where he served for a tenure of four years. As a member of Pakistan Administrative Service (PAS), he had held various key appointments throughout his career, spanning almost 35 years including Secretary of Trade Development Authority of Pakistan, Chairman of Employees Old Age Benefits Institution (EOBI), CEO of Sindh Infrastructure Development Company Ltd, Commissioner Karachi Division, besides holding positions in Prime Minister Office and at provincial and district levels. He has been particularly associated with several economic and structural/institutional reforms initiatives at various levels. Mr Faruqui has served on various Corporate Boards as Chairman, CEO and Director. He is an alumnus of London School of Economics and Political Science (LSE), securing a Master's degree. He is a Britannia Chevening Scholar and a LEAD fellow in sustainable development. He has widely travelled and represented Pakistan at a number of regional and international forums.



**Mr. Usman Zahur**

Non-Executive Director

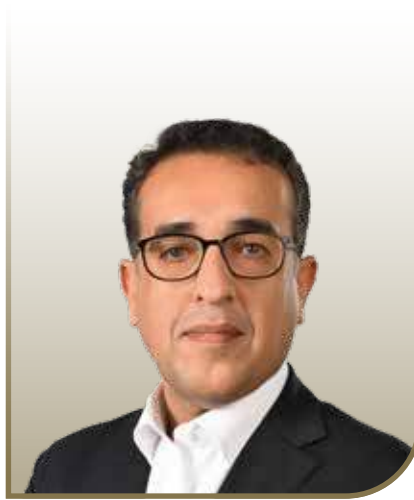
Mr. Zahur joined Pakistan Tobacco Company Limited (PTC) as a Management Trainee in 1997. During his career in BAT, he has acquired extensive global experience in various Marketing positions in Brands, Trade and SP&I in markets across Africa Middle East, Europe, South Asia and Asia Pacific, amongst others. He returned to Pakistan in 2017 as the Area Marketing Director for South Asia Cluster and in 2019, he was appointed as the Managing Director & Chief Executive Officer of Pakistan Tobacco Company Limited and also joined the Board of Directors as an executive director. From 1<sup>st</sup> March 2021, Usman moved to the role of Area Director, Asia Pacific Area (APA) based out of Hong Kong. He re-joined the Board of Directors in 2022. Following his stint as Area Director, Asia Pacific Area (APA), Mr. Zahur was appointed Area Director, Central Europe in 2023 and is based out of Hamburg, Germany.



### **Mr. Gary Tarrant**

Non-Executive Director

Mr. Tarrant joined the BAT Group in 2004 in Globe House, United Kingdom. His career at BAT Group includes multiple positions within the Legal and Corporate & Regulatory Affairs functions including Regional General Counsel and Head of Legal and Corporate & Regulatory Affairs for the Asia Pacific, Middle East and Africa Region, Head of Legal and External Affairs for Middle East, South Asia and North Africa Area, Head of Legal & External Affairs for Korea & Taiwan Cluster, Head of Commercial Legal UK, Head of Legal West Africa and Legal Counsel for GCC amongst others. As of 1<sup>st</sup> January 2025, Mr. Tarrant was appointed as Group Head of Regulation based in the UK and responsible for Group regulatory strategy.



### **Mr. Faisal Saif**

Non-Executive Director

Mr. Saif is an accomplished finance professional who started his BAT career as a Management Trainee with Pakistan Tobacco Company 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 Africa West since 2022. He joined the PTC Board in 2023.



### **Mr. Wael Sabra**

Non-Executive Director

Mr. Sabra holds a Masters degree in Finance from University of Florida and is a Certified Management Accountant (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.

# COMMITTEES OF THE BOARD

The Board has four Committees to assist the Board in the performance of its functions.

## Executive Committee

The Executive Committee of the Board (ExCo) comprises 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.



**Syed Ali Akbar**

Managing Director & CEO



**Syed Asad Ali Shah**

Director Legal and Corporate & Regulatory Affairs



**Mr. Uzair Qazi**

Director Marketing



**Mr. Ahad Khan**

Director Finance & IDT



**Ms. Faiza Imtiaz**

Head of Talent, Culture & Inclusion



**Mr. Shabab Ali**

Director Operations



**Mr. Sami Zaman**

Company Secretary

## Matters Delegated to the Management

Management is responsible for carrying out the Company's routine business operations in an efficient and ethical manner. These activities are undertaken in alignment with the strategies and objectives approved by the Board. Management is also responsible for identifying key risks and evaluating significant opportunities that may affect the Company in the normal course of 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.

## Board of Directors

During the year 2025, seven meetings were held on February 28, March 12, April 24, August 05, September 26, October 24 and December 18. Attendance of members is as follows:

Members	Attendance
Mr. Zafar Mahmood Ex Chairman (retired on 24-04-2025)	2/7
Mr. Nasir Mahmood Khan Khosa Chairman	7/7
Syed Ali Akbar Managing Director and CEO	6/7
Syed Asad Ali Shah Director Legal and Corporate & Regulatory Affairs	7/7
Syed Muhammad Ali Abrar Director Finance & IT (retired on 24-04-2025)	2/7
Mr. Ahad Khan Director Finance & IT	4/7
Ms. Belinda Joy Ross Non-Executive Director (resigned w.e.f. 30-09-2025)	4/7
Mr. Wael Sabra Non-Executive Director	6/7
Mr. Usman Zahur Non-Executive Director	3/7
Mr. Gary Tarrant Non-Executive Director (joined w.e.f. 22-10-2025)	1/7
Mr. Faisal Saif Non-Executive Director	6/7
Ms. Mona Iskandarani Non-Executive Director	4/7
Mr. Mohammad Riaz Independent Director (retired on 24-04-2025)	2/7
Mr. Asif Jooma Independent Director	7/7
Lt. Gen (R) Najib Ullah Khan Independent Director	6/7
Mr. M. Sualeh Ahmed Faruqui Independent Director	5/7

## Audit Committee

During the year 2025, four meetings were held on February 28, April 24, August 05 & October 24. Attendance of its members is as follows:

Members	Attendance
Mr. Mohammad Riaz Ex. Chairman (retired on 24-04-2025)	1/4
Mr. Asif Jooma Independent Director, Chairman	4/4
Lt. Gen (R) Najib Ullah Khan Independent Director	4/4
Ms. Belinda Joy Ross Non-Executive Director	2/4
Mr. Wael Sabra Non-Executive Director	4/4
Mr. Faisal Saif Non-Executive Director	1/4
Mr. Gary Tarrant Non-Executive Director	1/4
Mr. M. Sualeh Ahmed Faruqui Independent Director	3/4

## Human Resources & Remuneration Committee

In 2025, one meeting was held on October 24. Attendance of its members is as follows:

Members	Attendance
Lt. Gen.(R) Najib Ullah Khan Chairman	1/1
Mr. Asif Jooma Independent Director	1/1
Mr. M. Sualeh Ahmed Faruqui Independent Director	1/1

## Shares Transfer Committee

In 2025, twelve meetings were held. Attendance of its members is as follows:

Members	Attendance
Syed Ali Akbar	11/12
Syed Asad Ali Shah	11/12
Syed Muhammad Ali Abrar	2/12
Mr. Ahad Khan	8/12

## Sub Committees of ExCo.

### i) Commercial Committee

In 2025, twelve meetings were held. Attendance of the Commercial Committee members is as follows:

Members	Attendance
Syed Ali Akbar	10/12
Syed Asad Ali Shah	8/12
Syed Muhammad Ali Abrar	3/12
Ms. Faiza Imtiaz	6/12
Mr. Uzair Qazi	11/12
Mr. Ahad Khan	9/12

### ii) Governance Committee

In 2025, ten meetings were held. Attendance of the Governance Committee members is as follows:

Members	Attendance
Syed Ali Akbar	5/10
Syed Asad Ali Shah	6/10
Syed Muhammad Ali Abrar	2/10
Mr. Ahad Khan	8/10
Ms. Faiza Imtiaz	5/10
Mr. Rodrigo Nunes	5/10
Mr. Uzair Qazi	7/10
Mr. Shabab Ali	1/10
Mr. Sami Zaman	10/10

### iii) ESG Committee

In 2025, three meetings were held. Attendance of the ESG Committee members is as follows:

Members	Attendance
Syed Asad Ali Shah	2/3
Ms. Faiza Imtiaz	2/3
Mr. Rodrigo Nunes	2/3

# TORs OF BOARD COMMITTEES

	Committee	Functions
1	<b>Audit Committee</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• Seeking assurance on the measures taken by the management in identification, evaluation and mitigation of relevant business risks.</li> <li>• Reviewing quarterly, half-yearly and annual financial statements of the Company and preliminary announcements of results before approval by the Board and publication.</li> <li>• Reviewing the Company's statement on internal control systems, prior to their approval by the Board.</li> <li>• Ascertaining that the internal control systems including financial and operational controls, accounting system and reporting structure, are adequate and effective.</li> <li>• 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.</li> <li>• 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.</li> </ul>
2	<b>Human Resources and Remuneration (HR&amp;R)</b>	<p>The HR&amp;R Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• Recommending human resources management policies to the Board;</li> <li>• Recommending evaluation, compensation (including retirement benefits) and succession planning of the Managing Director &amp; CEO to the Board;</li> <li>• Recommending to the Board, the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit; and</li> <li>• Consideration and approval on recommendations of Managing Director &amp; CEO on such matters for key management positions who report directly to Managing Director &amp; CEO or COO.</li> </ul>
3	<b>Share Transfer Committee</b>	<p>The Share Transfer Committee is responsible for dealing with the day-to-day matters relating to the shares of the Company.</p>
4	<b>Executive Committee of the Board (ExCo)</b>	<p>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.</p>

Committee	Functions
i	<p><b>Governance Committee</b></p> <p>The Governance Committee (the Committee) is a sub-committee of the Executive Committee (ExCo) for Pakistan Tobacco Company Limited (PTC).</p> <p>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:</p> <ul style="list-style-type: none"> <li>• achievement of PTC goals within an appropriate framework of internal control and risk management</li> <li>• process simplification with empowered teams leading to smarter and faster decision making</li> <li>• internal control system</li> <li>• risk management and analysis</li> <li>• business policies and practices</li> <li>• compliance with the SoBC standards and policies</li> <li>• compliance with applicable laws and regulations; and</li> <li>• monitoring and controlling of business and other risks.</li> </ul> <p>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.</p> <p>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.</p>
ii	<p><b>Commercial Committee</b></p> <p>The Commercial Committee is also sub-committee of 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.</p> <p>The commercial forum is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Seamlessly drive the commercial agenda for PTC</li> <li>• Monitor progress and facilitate delivery for ongoing projects and workstreams (Star Charts)</li> <li>• Provide organisational support to and approval for ongoing projects</li> <li>• Operational decision making and business cases for key projects and budgetary approvals</li> <li>• Detailed PIRs of completed projects</li> <li>• Necessary escalations and approvals if required for ASOP and ALT Commercial</li> </ul> <p>This is an approving forum for all budgets for business plans as per the SoDA governance.</p>
iii	<p><b>Environment, Social and Governance (ESG) Committee</b></p> <p>The ESG Committee (the 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.</p> <p>Committee ToRs:</p> <ul style="list-style-type: none"> <li>• Achieving the BAT group's environmental, social &amp; governance targets</li> <li>• Ensure ESG goals and targets are met at the specified time</li> <li>• Review and approve proposals of new initiatives to meet targets and goals</li> <li>• Performance evaluation of initiatives through measurable KPIs</li> <li>• Performance evaluation and effectiveness of community investments</li> </ul>

# STANDARDS OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

## Business Ethics & Anti-Corruption Measures

The Company is firmly committed to conducting its business fairly, transparently, and in full compliance with all applicable laws of Pakistan. Ethical business conduct and integrity are fundamental to our operations and require the strict avoidance of all forms of corruption, bribery, and improper influence. The Company maintains a zero-tolerance policy toward corrupt practices, and any such conduct is strictly prohibited under all circumstances.

The Company's Standards of Business Conduct (SoBC) serve as the cornerstone of its comprehensive compliance and ethics framework. Through regular communication, training, and governance processes, the Company ensures that all directors and employees, at every level of the organisation, understand their responsibilities and are held accountable for upholding these standards.

In support of sustainable and responsible business practices, the Company also expects its contractors, agents, consultants, and other business partners to operate in a manner consistent with the principles of the SoBC. Accordingly, the Company actively promotes the adoption of equivalent ethical standards within third-party organisations and integrates integrity expectations into its contractual and governance arrangements.

## Whistleblowing

The Company strongly encourages all employees to report any suspected or observed misconduct or wrongdoing in the workplace through its established whistleblowing mechanism. The Company's Speak Up Policy is designed to provide both employees and third parties with confidence that their concerns will be received, reviewed, and addressed in a fair, confidential, and responsible manner.

Under the Speak Up Policy, employees and third parties may report concerns relating to any actual or suspected breach of the Standards of Business Conduct (SoBC) or other applicable policies and laws. Reports may be submitted through designated confidential channels and are assessed in accordance with defined investigation and case-management protocols.

Where necessary and appropriate, the complainant may be contacted to obtain additional information to support a thorough and fair review of the concern and, where feasible, may also be informed of the outcome of the matter, subject to confidentiality. The company is committed to fostering

a culture of openness, accountability, and ethical conduct in line with our Standards of Business Conduct (SoBC). Accordingly, we strictly prohibit any form of retaliation against individuals who raise a concern or file a complaint.

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 (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 a high level of confidentiality throughout the reporting and investigation process and strictly prohibits any form of retaliation against individuals including those who choose to report anonymously. All employees are regularly informed of the Speak Up Policy and the protections it provides, reinforcing the Company's commitment to a safe, trusted, and transparent reporting environment.

## 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](http://www.bat.com/speakup)), which are operated independently of management, enable raising concerns online or via telephone (anonymously if preferred).

### Designated Officers:

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

#### The Designated Officers are:

- Director Legal and Corporate & Regulatory Affairs
- Company Secretary
- Legal Manager

### Anonymous Reports:

Individuals may raise concerns anonymously.

### Number of Incidences Reported in 2025:

22 whistle blowing incidences were reported in the said year.

## Investors' Grievance Policy

The Company provides dedicated contact details on its website, including an official email address and postal address, through which investors may submit complaints or grievances directly to the Company Secretary. In the event that an investor's concern is not satisfactorily resolved by the Company, the website also provides information on approaching the Securities and Exchange Commission of Pakistan (SECP).

## 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 a 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 arises where an employee's position or responsibilities within the Company create, or may be perceived to create, an opportunity for the employee or a close relative to obtain an improper personal benefit (other than legitimate employment-related compensation), or where personal interests could interfere with, or appear to interfere with, the employee's duty to act in the best interests of the Company. Employees are expected to avoid such situations and to promptly disclose any actual, potential, or perceived conflicts in accordance with Company policy.

### 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 employees to be involved or implicated in any way in corrupt practices. The Company applies similar standards on 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.

### 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.

## External Stakeholders

### Community investments:

The Company recognizes 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 the principles of corporate transparency and responsible engagement. All interactions with government authorities, regulators, and other external stakeholders are conducted in a lawful, transparent, and ethical manner, and in line with the Company's Standards of Business Conduct and applicable regulatory requirements.

## 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.

### Anti-Illicit Trade:

The Company engages exclusively in lawful trade of its products and maintains robust controls and monitoring mechanisms to prevent, detect, and deter illicit trade across its supply chain. Illicit trade, including the distribution of smuggled or counterfeit products, undermines legitimate business, damages brand equity, and deprives the state of lawful revenues. The Company remains committed to working within the legal and regulatory framework to combat illicit trade and protect the integrity of its products and markets.

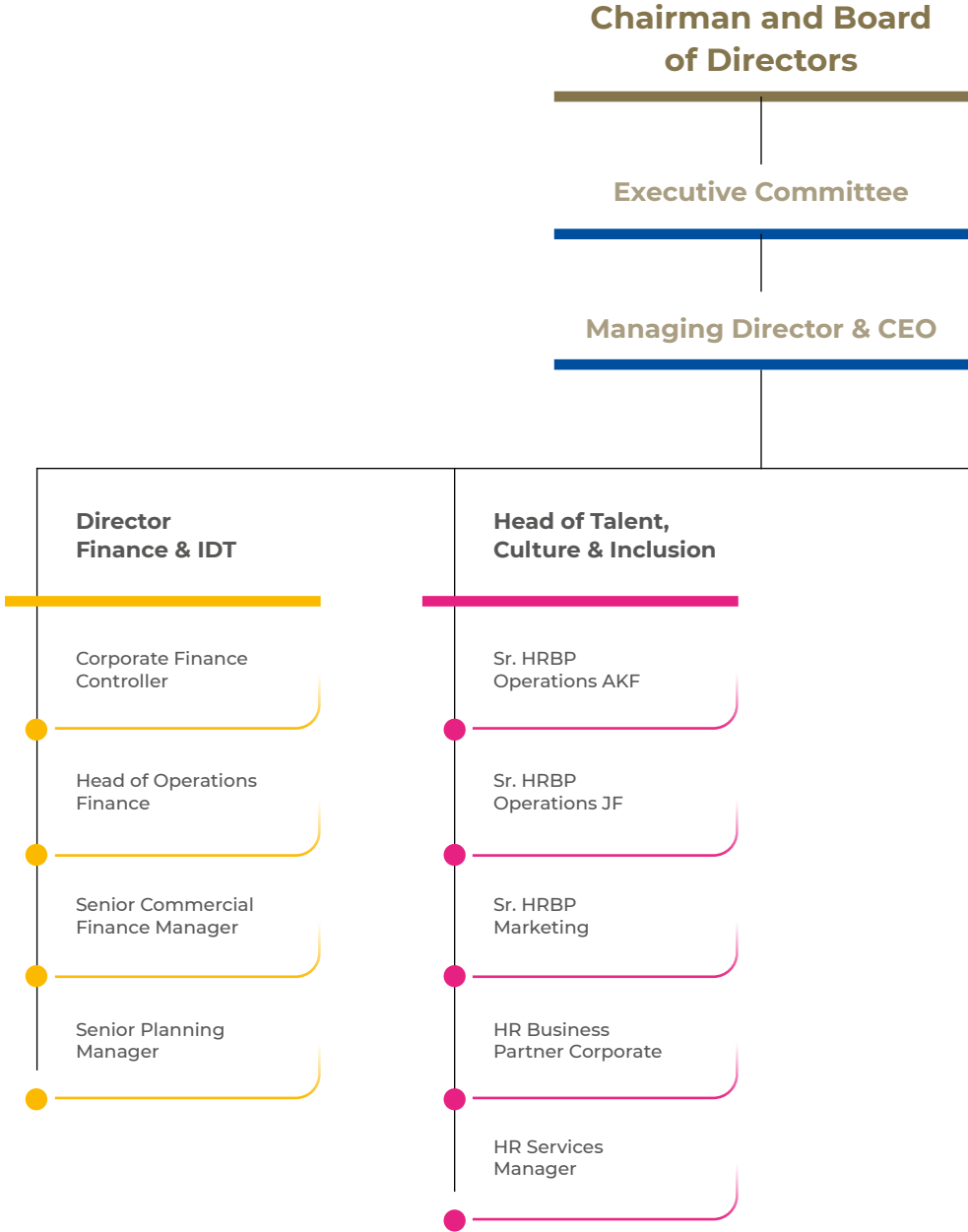
### Tax Evasion and Anti-Money Laundering:

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 established formal Records & Information Management Policy as well as Information Security Policy. The Records & Information Management Policy identifies the Company's critical records and specifies their retention periods in line with legal, audit, and tax requirements, as well as business needs. Together, these policies ensure that critical records are properly preserved and archived while maintaining their security. 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.

# ORGANISATION CHART



**Director Legal  
and Corporate &  
Regulatory Affairs**

Head of  
External Affairs

Country Security  
Manager

Head of  
Legal

Senior Manager  
Litigation

**Director  
Marketing**

Head of  
Trade

Head of Consumer  
Experience

Senior Marketing  
Deployment  
Manager

**Director  
Operations**

Factory  
Manager JF

Factory  
Manager AKF

Supply Chain  
Manager

ESG  
Manager

# CHAIRMAN'S MESSAGE



## 2025 Performance

Pakistan saw macroeconomic stability, tighter fiscal management, declining inflation, and a gradual return of consumer confidence in 2025. Foreign exchange reserves strengthened, surpassing USD 20 billion by year-end. However, the business environment remained constrained by a lack of fiscal space, owing to greater operating expenses. These included a high corporate taxation regime and energy costs that were relatively higher than the region. Additionally, regional geopolitical developments contributed to an uncertain business outlook and reduced investor confidence.

The tobacco industry in the country continued to face structural challenges driven by illicit trade and evolving consumer dynamics. Illicit trade remained a major issue, accounting for 54% of the market, threatening the sustainability of the legitimate industry and government revenues.

Amid these headwinds, the Government kept the Federal Excise Duty (FED) rates unchanged and maintained adjustable duties on key inputs such as acetate tow and filter rods. In parallel, it also launched an unprecedented enforcement campaign across the value chain to curtail illicit tobacco. This campaign delivered significant positive results, but maintaining momentum is crucial to achieving consistent outcomes and driving a meaningful reduction in illicit trade.

Despite this, PTC delivered a resilient performance, capturing a market share of 80.3% of the legitimate tobacco sector. Strategic portfolio management and a stable FED framework resulted in a gross turnover of PKR 374.7 billion - reflecting a 5.4% increase over last year. Despite cost pressures, profit after tax amounted to PKR 29.86 billion, translating into earnings per share (EPS) of PKR 116.85. Export performance also remained strong, reaching a record PKR 14.4 billion. As the leading contributor to the national exchequer, the Company's tax payments stood at PKR 260.8 billion.

Driven by BAT's global vision of Building a Smokeless World, the Company continued to accelerate its transformation journey. VELO™ posted a remarkable total volume increase of 27%, maintaining strong performance in the modern oral nicotine category.

## Business Sustainability

In alignment with BAT Group's global vision of A Smokeless World, PTC continued advancing tobacco harm reduction (THR) in Pakistan through its strategic shift towards reduced-risk products. A key milestone towards this was the launch of Omni™, a dedicated resource developed by the BAT Group for scientists, public health authorities, regulators, policymakers, and investors. Omni™ outlines progress towards A Smokeless World, demonstrating how science, innovation, and more than a decade of evidence are converging to support this ambition.

VELO™ remained at the forefront of this agenda, providing adult smokers scientifically substantiated alternatives and establishing one of the largest active consumer bases, exceeding half a million consumers. The category is supported by progressive Government policies recognizing reduced-risk products with differentiated excise tax rates.

The Company further strengthened its 'Made in Pakistan' initiative, exporting Velo worth PKR 1.2 billion (USD 4.26 Mn) to multiple international markets. The export footprint continued to grow with shipments to the UAE and Kenya, reinforcing Pakistan's potential as a competitive manufacturing and export hub.

PTC also continued its efforts to combat illicit trade through a structured three pillar strategy. This included public advocacy under the Behtareen Pakistan campaign, multi stakeholder engagements aimed at driving policy improvements, and consistent calls for robust enforcement. Together, these efforts reinforced PTC's commitment to supporting a stable regulatory environment.

Despite unprecedented enforcement efforts by the Government, illicit trade continues to pose a significant threat to the legitimate tobacco sector. For instance, the Track and Trace System (T&TS), introduced to curb tax evasion, remains only partially implemented across the industry, limiting its overall effectiveness and leaving gaps that can be exploited. Strengthened regulatory oversight and consistent enforcement are therefore critical to protect government revenues, ensure a level playing field, and sustain the viability of the formal sector.

Notwithstanding the external challenges, the fundamentals of Pakistan's tobacco and nicotine sector remain strong. The ongoing shift in consumer preferences towards reduced-risk alternatives represents a long term trend for substantial growth opportunities and regulatory stability.

## Environment, Social, and Governance (ESG) Agenda

Sustainability remained a key part of PTC's operations in 2025. PTC made significant progress on its decarbonization roadmap, increasing the share of renewable energy across its manufacturing operations. A major milestone during the year was the installation of the first multi fuel biomass boiler at the Jhelum Factory, delivering a 1,750 TCO<sub>2</sub> reduction in emissions, contributing to a 75% decrease in Scope 1 emissions from our operations.

PTC also expanded its solar footprint by operating one of the largest on site solar installations within the BAT Group, with 5.9 MW of capacity. Since 2021, this initiative has helped decarbonize 5,200 TCO<sub>2</sub>, equivalent to saving approximately 210,000 trees. Water stewardship remained central to our ESG commitments. PTC achieved a over 48% water recycling rate while maintaining AWS Certifications at both the Akora Khattak and Jhelum factories. Notably, the Jhelum site retained its distinction as the only multi category AWS certified facility within the BAT Group. Waste management performance also remained strong, with the Company maintaining 100% solid waste recycling across operations.

PTC continued to create meaningful community impact through large-scale environmental and social initiatives. Over 5.5 million saplings were planted and distributed as part of our afforestation program, the largest private sector initiative of this kind in Pakistan. Our "Throw and Grow" campaign distributed 300,000 seed balls across the Margalla Hills, with participation from more than 10,000 volunteers.

Our commitment to enhancing access to basic services for the communities we work in remained unwavering. 26 water filtration plants provide clean drinking water to over 8 million people annually across nine districts. Meanwhile, our 12 Mobile Doctor Units delivered free healthcare services,

including checkups and medicines, to more than 140,000 patients.

## Corporate Governance

The Company upholds robust corporate governance standards. Through rigorous policies and transparent practices, the Company ensures the protection of Company assets and shareholders' interests. PTC has established a robust system of internal controls and financial reporting, which are periodically assessed by external auditors (KPMG) to guarantee compliance and reliability.

The Company's compliance framework is governed by its Standards of Business Conduct (SoBC), which sets out the principles for ethical and responsible operations. These standards are reinforced through mandatory SoBC trainings, conducted annually both online and in person, for all employees and directors of the Company. To support transparency and accountability, secure and confidential channels are available for employees and stakeholders to report concerns or irregularities without fear of reprisal. This reflects the Company's zero-tolerance approach to non-compliance.

On behalf of the Board, I extend my sincere appreciation to the people and leadership of PTC. Their resilience, passion, and commitment continue to propel the Company forward. PTC remains dedicated to fostering a diverse and dynamic talent pipeline, empowering its people to lead the business through transformation.

With a clear strategy, a strong portfolio, and steadfast governance, PTC is well-positioned to continue delivering sustainable value to its stakeholders while advancing the tobacco harm reduction agenda in Pakistan.



**Nasir Mahmood Khan Khosa**

Chairman

# MANAGING DIRECTOR & CEO'S MESSAGE

Despite a challenging and evolving external environment, PTC operates on a solid foundation of resilience, supported by a diverse portfolio, sustained brand investments, and a performance-driven culture that embraces change. The gradual stabilization of the macroeconomic indicators, coupled with our consumer centric strategy and focused execution, has reinforced the strength of our business.

Our progress in 2025 reflects the depth of our capabilities and the strength of our people, even as the industry continues to face ongoing structural pressures. Driven by BAT's global vision of A Smokeless World, we continued to accelerate our transformation journey, focusing on reduced-risk products and diverse solutions to meet evolving consumer preferences.

These factors collectively position PTC to sustain momentum and deliver long-term value to our shareholders, while remaining agile in an increasingly dynamic operating landscape.

## Business Performance

PTC's performance in 2025 reflected consistent delivery and a strong commitment to consumer value, operational excellence, and strategic transformation. While macroeconomic indicators showed some improvement, the industry continued to face significant structural challenges, particularly from illicit tobacco trade. Despite these pressures, PTC delivered a resilient performance, increasing its legitimate (tax-compliant) market share to 80.3% and

achieving a 14.8% increase in net turnover. These results reinforce the strength of our strategy and our leadership within the legitimate industry.

The operating environment remained complex, shaped by evolving consumer dynamics and pressures from tax-evaded products. In response, we strengthened our route-to-market execution, improved value-chain efficiency, and continued to embed a cost-conscious mindset across the organisation. These efforts enabled us to sustain performance while ensuring our brands remain accessible and competitive for adult consumers.

Our commitment to quality and world-class operational excellence continued to help differentiate PTC, reflected in the growing international demand for our products. In 2025, total exports reached PKR 14.4 billion (USD 51.6 Mn), underscoring the strength of our manufacturing capabilities and the trust placed in our standards.

Our multi-category strategy remained central to our progress. The modern oral category continued to show strong momentum, supported by investments in consumer engagement, distribution, and product experience. The continued success of VELO™, which delivered 27% total volume growth, highlights our commitment to Tobacco Harm Reduction and our ambition to support the transition toward reduced-risk alternatives in Pakistan.

PTC's achievements in 2025 are a direct reflection of our people's unwavering commitment to excellence and their ability to respond proactively to a dynamic operating environment. Guided by our vision of A Better Tomorrow™, we remain focused on driving sustainable, long-term value across our business.

## Our Brands

Our commitment to Tobacco Harm Reduction remained central to our multi-category strategy. VELO™ continued its strong growth trajectory, with domestic volumes increasing by 11%. This performance reflects the growing acceptance of modern oral nicotine products in Pakistan and reinforces VELO's position as a category-defining brand. The expansion of VELO's export footprint further highlights the quality and the increasing international demand for our Made-in-Pakistan products.

Beyond reduced-risk products, our focus on our FMC portfolio ensured we continued to meet diverse consumer preferences. Capstan by Pall Mall remained a key contributor to our portfolio, maintaining its position as a leading choice within the value-for-money segment. In the premium category, John Player Gold Leaf continued its market leadership.

Simultaneously, we broadened our FMC offering with the introduction of Lucky Strike and Capstan Select. Supported by targeted activation and improved availability, these additions strengthened our presence across key price tiers and enabled us to respond effectively to shifting consumer dynamics.



Collectively, these achievements underscore the strength of our portfolio and our ability to adapt to changing consumer needs while supporting the transition toward reduced-risk alternatives to build A Better Tomorrow™. Our brands remain at the heart of our strategy, and we will continue to invest in innovation, quality, and consumer engagement to ensure their long-term relevance and success.

## Our People

Our people remained central to PTC's success in 2025, bringing outstanding commitment, expertise, and a strong sense of ownership to our journey toward A Better Tomorrow™. We continue to advance a culture that combines high performance with meaningful support, enabling individuals to grow, lead, and contribute to their full potential. This approach was recognized through the Global Diversity, Equity & Inclusion Benchmarks Award and the Top Employer Certification, both of which reflect the strength of our people's practices and the inclusive environment we continue to build. PTC's talent also gained greater visibility across the BAT Group, with a growing number of employees stepping into influential roles in international markets, demonstrating the depth, readiness, and global relevance of our people.

In 2025, our 'Your Voice' employee engagement survey delivered another year of exceptional results, with engagement levels sustained at 90%. These outcomes highlight the trust our people place in the organisation and the environment we have created.

## Our Processes

Operational excellence remained a cornerstone of our performance in 2025. We continued to enhance our manufacturing and supply chain capabilities through digitalization, automation, and the deployment of advanced quality systems. A key achievement during the year was PTC's attainment of Integrated Work System (IWS) Phase 3 certification, reflecting the maturity of our operational discipline and the strong ownership demonstrated by teams across our footprint.

Sustainability remains deeply embedded in our operational strategy. The installation of a multifuel biomass boiler at our Jhelum factory marked a major step forward in scope 1 emissions reduction and a significant increase in renewable energy. Our on site solar park ranks among the largest across the BAT Group and demonstrates our commitment to expanding our renewable energy footprint. For example, our modern oral facility runs entirely on renewable electricity, underscoring our leadership in sustainable manufacturing and responsible resource management.

Collectively, these advancements strengthened our operational resilience and reinforced our long term competitiveness. By investing in modern technologies, embedding sustainability principles across the value chain, and driving excellence through IWS, PTC continues to build a future ready operational ecosystem capable of supporting our transformation journey.

## Our Future

PTC remains focused on accelerating its transformation journey and reinforcing the foundations required for long term, sustainable growth. Looking ahead, our priorities are to advance our multi-category strategy, enhance operational excellence, and continue to place consumers at the heart of our decision-making. The evolving preferences of adult consumers, coupled with the rising demand for reduced-risk alternatives, reinforce the importance of innovation, scientific substantiation, and responsible marketing as core pillars of our future direction.

Our people will continue to play a pivotal role in shaping this future. The strong engagement results achieved this year reaffirm the value of investing in leadership capability, technical expertise, and a culture that empowers individuals to take ownership and deliver with excellence. We will continue to cultivate a workplace that attracts and develops exceptional talent, ensuring that PTC remains a key contributor to the BAT Group's global talent pipeline.

The external environment is expected to remain challenging, particularly with the continued presence of illicit trade and the evolving geopolitical situation. We remain committed to working closely with the Government of Pakistan and relevant stakeholders to develop and support effective policy implementation. This is essential to ensure a level playing field necessary for the sustainability of the legitimate industry and government revenue.

Our ability to navigate the challenges faced by the legitimate industry will be strengthened by disciplined execution, data driven decision making, and an unwavering focus on operational efficiency.

Sustainability will continue to guide our strategic choices. Our investments in renewable energy, water stewardship, and responsible manufacturing reflect our long term commitment to reducing our environmental footprint and contributing positively to the communities we serve. These initiatives not only enhance our ESG performance but also reinforce our operational resilience and competitiveness.

Looking forward, I am confident in the strength of our strategy and the capabilities of our people. PTC is an organisation built on resilience, innovation, and a commitment to doing the right thing. With a clear roadmap, a strong portfolio, and talented human resources, we are well positioned to navigate the challenges and opportunities ahead and continue shaping A Better Tomorrow™ for Pakistan.



**Syed Ali Akbar**

Managing Director & CEO

# 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, 2025.**

## Macroeconomic Environment

Pakistan's economy continued to demonstrate gradual improvement through 2025 despite persistent structural headwinds. The broader macroeconomic environment benefited from measured monetary easing, single digit inflation, stabilized external accounts and shored up central bank reserves all of which led to an improvement in business sentiment and consumer spending patterns. Although core inflation remained persistent due to supply-side constraints, headline inflation stayed within the 5%–7% target range for most of the year.

The Government remains committed to the ongoing IMF EFF Program and reform agenda with economic recovery constrained due to elevated public debt levels, moderate lacklustre export performance and increasing climate and geo-political vulnerability. Additionally, the economy continues to face serious Human Capital issues with continuing brain drain from the Country. Addressing these pressures will require sustained implementation of governance and sector-wise reforms, including timely adjustments to energy tariffs and improved sectoral efficiencies.

Within this broader context, Pakistan continues to face one of the highest overall tax burdens in the region. Elevated corporate income tax rates, coupled with additional levies, place significant pressure on the formal sector. These challenges are compounded by some of the highest utility tariffs in South Asia, which weigh heavily on industrial competitiveness. While the recent 4.5% decline in energy prices is a welcome development, further rationalization of taxes and utilities remains essential to foster a more enabling environment for investment and long term economic growth.

## Industry Overview

### Fiscal Environment

Pakistan currently operates a two-tier Federal Excise Duty (FED) structure on cigarettes. The substantial 200% increase implemented in FY 2022-2023 fundamentally reshaped the market, driving illicit cigarette trade from 37% to its peak of 54% in 2024 placing considerable strain on compliant manufacturers who continue to meet their full tax and compliance obligations. Acknowledging the severity of this challenge and the resulting erosion of both fiscal revenues and the threat to the formal industry's

sustainability, the Government acted prudently by keeping FED rates unchanged which has played a critical role in halting further growth of illicit cigarette trade in the Country.

For the new category segment, the 2024-2025 Budget introduced a specific FED for modern oral nicotine pouches at PKR 1,200 per kg. This reflects the Government's recognition that these products carry significantly lower risk compared with traditional combustible cigarettes and supports the growth of this lower risk emerging category.

Conversely, the revision of the FED framework for E-liquids introduced significant commercial challenges for the compliant players in the industry. The duty structure was amended from a fixed PKR 10,000 per kg to the higher of PKR 10,000 per kg or 65% of the retail price; an adjustment that pushed retail prices up by almost 180%. In a market where 100% of sales are non-duty paid, this rendered compliant products effectively unsellable. Consequently, the Company exited the E-liquid category, as the cost of compliance by the regulated operators made the business commercially unsustainable. During this period, PTC remained the only operator importing vaping products under the correct HS code and paying all applicable duties.

### Increase In Duties and Taxes, and Need for Rigorous Enforcement

The exorbitant increase in FED during FY 2022-2023 further incentivized the DNP segment leading to a sharp rise in sales of the non-compliant cigarette brands. Smuggled and non-duty paid products became widely available across the Country, including the rural areas. Many of these products continue to be sold without tax stamps or the required Graphical Health Warnings, which clearly shows that monitoring at the retail level remains inadequate/weak.

The Government, despite having introduced several interventions aimed at addressing the curse of evasion, including the Track and Trace System, has not been successful in fully addressing the illicit cigarette trade challenge. Currently only two manufacturers are fully compliant and contributing a disproportionate share to the Government revenue. Due to non-compliance of T&T at the Point of Sales (POS), locally manufactured non-duty paid and smuggled cigarettes are openly selling at POS across

the Country. Recent research by the Institute of Public Opinion Research found that out of 477 brands in the market, only 22 met the current compliance requirements. The remaining brands included over 300 that carried neither tax stamps nor mandatory warnings.

After the announcement of the 2025-2026 Budget, enforcement efforts were further intensified and delivered some positive results which have halted further growth of the DNP segment. Yet given the magnitude and scale of the illicit cigarette trade, enforcement must always be complemented by fiscal measures. The illicit cigarette market still holds the majority share of all cigarettes consumed in the Country. The two compliant companies having less than 50% combined market share contribute 95% of total Government Revenue from the Tobacco Sector.

### Regulatory Environment

In recent years, regulatory authorities have implemented stronger measures to regulate tobacco communications, most notably through the Ministry of National Health Services, Regulations & Coordination's 2020 directive enforcing a comprehensive Tobacco Advertising, Promotion and Sponsorship (TAPS) ban under the Prohibition of Smoking and Protection of Non Smokers' Health Ordinance, 2002. While compliant companies such as PTC have fully aligned their practices with these requirements, several local manufacturers continue to openly flout the regulations. Weak and inconsistent enforcement has allowed such non compliance to persist, creating fiscal and regulatory disadvantages for legitimate players and distorting fair market competition. Strengthening and consistently implementing enforcement mechanisms is therefore essential to ensuring regulatory credibility and a level playing field.

In addition to the above, there is limited enforcement of Pakistan's Graphical Health Warning (GHW) laws at retail. Following the 200% FED increase in FY 2022-23, the influx of non GHW smuggled cigarette packs has increased significantly. This trend continues to undermine the compliant manufacturers whilst eroding the legitimate players' market share. Strengthening enforcement remains essential to protecting fiscal revenues and ensuring a level playing field.

### Company Performance

Despite a challenging environment faced by PTC, your Company's 2025 performance is a testimony to the resilience of its people and the robustness of its business model. Our focus on investment and shareholder value creation is evident from the fact that PTC strengthened its share leadership position in the legitimate combustible cigarette segment by 13 bps to 80.3% whereas the Modern Oral Category continued to maintain its category share leadership and grew 11.4% during the period under review. In addition, gross turnover grew by 5.4% to PKR 374.7 billion including exports which reached record level of PKR 14.4 billion. With total tax contributions amounting to PKR 260.8 billion, the Company remained one of the Country's most significant and compliant contributors to the formal economy. PTC's tax contributions to the national exchequer is critical at a time when increasing tax revenues remain an ongoing challenge as efforts at revenue mobilization continue to be undermined by rising informality.

The performance in the period under review reflects the Company's strong portfolio fundamentals, focused execution standards, and commitment to operating transparently in a market increasingly distorted by illicit trade practices.

The Company posted a profit after tax of PKR 29.85 billion and earnings per share of PKR 116.85, continuing to deliver long term value to shareholders despite the challenging regulatory and commercial environment. Profitability improved during the year, supported by disciplined cost controls, targeted investment behind priority brands and strong operational execution across all business pillars.

While the headwinds in the operating environment endure, we are assured by the underlying robustness of the business. However, the prospect of ongoing volatility requires an even greater impetus for sharper strategic focus and delivery. Our refined strategy is aligned with BAT Group's strategy and is embedded across the business, being fundamentally built three pillars: Quality Growth, Sustainable Future and Dynamic Business. Together this forms a roadmap which we believe will enable PTC to continue to grow and transform sustainably, responsibly and successfully.

## Quality Growth

As the driving force behind our transformation, our Quality Growth pillar is about how we innovate, transition into the future, and deliver great products in a sustainable way for consumers. With a more balanced focus on top-line and bottom-line delivery, we are already seeing results in our Modern Oral and Combustible categories within the compliant market space. Our investments on combustible category brands such as Pall Mall, Benson & Hedges, Dunhill, Capstan and targeted investments on our iconic modern oral brand VELO, have enabled us to achieve market leadership in both categories. In 2025, we also introduced another iconic international combustible category brand 'Lucky Strike' to Pakistan for the first time ever with promising prospects. We continue to maximize on growth potential by focusing on brands, operations efficiency and margin delivery across the business. Effective regulation and anti-illicit trade enforcement will be pivotal to ensure a level playing field and to allow consumers to switch to duty-paid legitimate brands and smokeless alternatives such as VELO.

Exports remained a major contributor to growth and an essential source of foreign exchange for Pakistan. Export turnover increased by 44%, supported primarily by strong performance in Unmanufactured Tobacco. This growth helped enhance agricultural output and improve farmers' livelihoods, particularly in Khyber Pakhtunkhwa. VELO exports grew by an exceptional 260%, reflecting the success of PTC's "Made in Pakistan" strategy and the Company's world class quality image and increasing competitiveness across in our export markets including Asia, the GCC, Africa, Europe, and South America. Export led growth also helped offset pressures in the domestic market, where downtrading toward illicit products resulted in a 1.8% decline in legitimate cigarette volumes.

## Sustainable Future

The Sustainable Future pillar is crucial to achieving our goal of creating A Better Tomorrow™ by Building a Smokeless World. With emphasis on investments in the quality of our Smokeless products such as VELO – driven by science, and our commitment to further enhance external engagement and advocacy, including with regulators, making our purpose a reality. Sustainability and integrity are a core priority in everything we do as we endeavour to provide more adult consumers around the world with access to Smokeless products responsibly. In alignment with BAT Group's global ambition of Building a Smokeless World, PTC continued to expand its multi category footprint. Modern Oral products maintained strong momentum, with VELO volumes rising by 11.4% and turnover increasing by 43%. This trajectory reinforces the Company's commitment to science based innovation and evolving consumer preferences, marking two decades since modern nicotine alternatives first entered global markets.

Another highlight this year for PTC was the launch of Omni™, a dedicated resource created by BAT Group specifically for scientists, public health authorities, regulators, policy makers and investors. It articulates our progress towards A Smokeless World, and demonstrates how science, innovation and over a decade's worth of evidence can combine to achieve it. PTC continues to address the issue of illicit trade through a structured, three-pillar strategy that encompasses public advocacy through the Behatareen Pakistan campaign, multistakeholder engagements focused on policy improvements, and ongoing calls for consistent enforcement.

Outside its commercial commitments, PTC sustained its long standing focus on social impact and environmental responsibility. The Company continued to operate one of the Country's largest private sector afforestation programs, distributing over 3 million saplings annually. Through its 12 Mobile Doctor Units, PTC provided free consultations and medicines to underserved communities. Additionally, the Company maintained 26 water filtration plants across nine districts, each with a capacity of 20,000 litres per day, improving access to clean drinking water in vulnerable areas. PTC also advanced sustainable agriculture practices through irrigation related interventions introduced in partnership with provincial stakeholders.

## Dynamic Business

Building further on PTC's success, the Dynamic Business pillar reflects our commitment to ensuring the business operates efficiently and effectively across all areas. This will be achieved by creating financial flexibility to invest in our people, our products and to maximize shareholder returns. As part of our active capital allocation in 2025 the Board maintained its focus on enhancing shareholder value and announced a total dividend of PKR 150 per share for the year ended 2025. The Company is committed to maximizing shareholder returns through year-on-year earnings growth. We continue to strengthen risk management practices, particularly in working capital and treasury operations, to navigate macroeconomic volatility.

Ensuring that PTC continues to build upon its Employee Value Proposition through nurturing a diverse, inclusive and people-oriented place to work. This is a core part of the Dynamic Business pillar. We are truly proud of the culture we have built and the thousands of people across the tobacco ecosystem who are bringing PTC's ambitions to life. PTC's business delivery would not be possible without the talented people who work at PTC, who are guided by BAT Group's core values. The inclusive culture we are building will ensure we have the talent to deliver both in the present and in the future. In 2025, PTC made strong progress in advancing its people-first agenda, strengthening the foundation of leadership, talent, and employee wellbeing across the organisation. The Company introduced refreshed Leadership Capabilities that now

guide how leaders inspire teams, drive performance, and role-model the behaviours essential for PTC's future. A modernized Talent Model was also rolled out, providing clearer criteria for assessing potential and supporting more strategic succession planning. Together with an updated Employer Value Proposition, these initiatives reinforced PTC's commitment to offering meaningful careers and growth opportunities for employees at every stage.

Employee wellbeing remained a core priority throughout the year. The launch of the holistic 'Live Well' framework enhanced support across physical, mental, social, and financial wellbeing, with programs ranging from fitness and counselling services to community-building and financial literacy initiatives. These efforts helped create a more supportive and connected workplace experience.

PTC's inclusive and values-driven culture continued to differentiate the Company. Engagement activities, cultural celebrations, and team-building initiatives strengthened the sense of belonging across sites nationwide. The positive impact of these efforts was reflected in the 2025 Your Voice Engagement & Inclusion survey, where employees reported meaningful improvements in key cultural and leadership dimensions. Externally, PTC once again earned recognition for its progressive culture and strong performance in Diversity, Equity & Inclusion.

PTC's performance in 2025 reflects the inherent strength of its value proposition, the discipline embedded in its operations, and the commitment of its people to delivering responsibly in a challenging environment. Looking ahead, the Company will continue to prioritize innovation, export competitiveness, operational excellence, and active advocacy for data driven policy frameworks that strengthen the formal economy and support long term national revenue generation.

## Financial Review

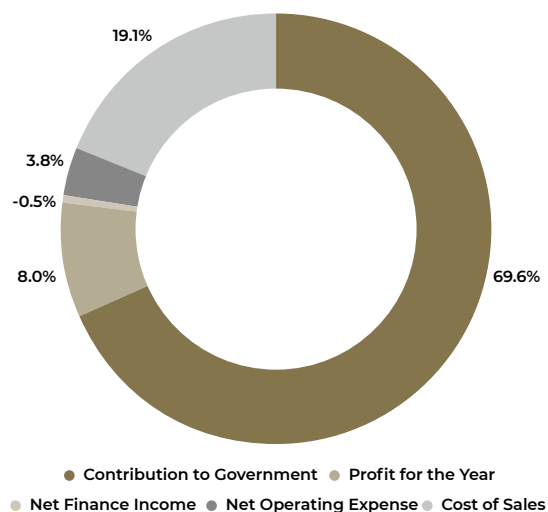
	Rs. (million)	
	2025	2024
Gross Turnover	374,688	355,507
FED & Sales Tax	235,670	234,429
Net Turnover	139,018	121,078
Cost of Sales	71,577	61,265
Gross Profit	67,441	59,813
Operating Profit	49,286	44,448
Profit Before Tax – PBT	51,116	49,500
Profit After Tax – PAT	29,855	27,783
Earnings Per Share – EPS (PKR)	116.85	108.74

## Statement of Profit or Loss Analysis

During the year, the Company contributed PKR 260.8 billion in the form of taxes and duties to the national exchequer, which translates to 69.6% of its gross turnover, which is higher than last year by 0.50%. In comparison, 8.0% of the total revenue was retained for shareholder returns and reinvestment to support future business growth. Cost of Sales and Net Operating Expenses represented 19.1% and 3.8% of gross turnover, respectively.

Domestic gross turnover grew by 4.3% versus the previous year, driven by more effective commercial execution, focused brand investment, and a pricing strategy aligned with consumer preferences. On the export front, the Company shipped 1.1 billion cigarette sticks, 169 million oral nicotine pouches, and 7.3 million kilograms of unmanufactured tobacco, which is 52% higher than the prior year. These export efforts generated USD 51.9 million in revenue during 2025.

## Gross Turnover



Overall Cost of Sales increased by 16.8%, compared to a 21.4% increase recorded in 2024. This easing was mainly attributed to lower per unit cost escalation due to easing inflationary pressures supported by productivity initiatives and disciplined cost management measures implemented throughout the year.

## Statement of Financial Position Analysis

Property, plant, and equipment grew by 16.5% in 2025, with 48 capital projects executed across the Company's manufacturing facilities. These investments were primarily targeted towards modernizing existing infrastructure to enhance product quality, enable innovation, improve operational efficiency, and meet evolving regulatory requirements.

Stock in Trade rose by 10.2%, in anticipation of growth in sales volumes. This buildup was supported by a healthier monthly sales run rate, necessitating higher inventory levels to ensure uninterrupted supply.

Cash and cash equivalents declined by 87.3% compared to the same period last year, primarily due to higher dividend distribution towards the end of 2025, which significantly reduced available liquidity. In addition to dividend outflows, substantial statutory regulatory payments, including the settlement of input duties on key raw material imports also impacted cash balances of the company.

### Liquidity Management

PTC's Treasury function plays a critical role in safeguarding and optimizing the Company's financial resources. Its mandate covers the management of liquidity, funding, and investments to ensure that the organisation remains adequately financed to meet its operational requirements and strategic objectives. The function is structured to maintain financial stability, optimize returns on available funds, and effectively manage the financial risks associated with the Company's activities.

Treasury operations are conducted within a robust governance framework comprising clearly defined policies, procedures, and counterparty exposure limits. These controls are reviewed periodically and approved either by the Board of Directors or through delegated authority to the Finance Director or the Internal Treasury Committee. This structure ensures disciplined execution, strong oversight, and adherence to the Company's financial management principles.

### Profit Distribution & Revenue Reserve Analysis

The Company commenced the year with distributable reserves of PKR 40.81 billion. In 2025, PTC generated a net profit of PKR 29.85 billion and declared five interim dividends amounting to PKR 150 per share. After accounting for these appropriations, the Company's distributable reserves stood at PKR 32.47 billion at year end. A detailed breakdown of the movements in reserves is presented in the table below:

	Rs. (million)	Rs. Per Share
Opening Reserves	40,812	
Net Profit 2025	29,855	116.85
Other Comprehensive Income	129	
Unappropriated Reserves	70,796	
Interim Dividends 2025	(38,324)	150.00
Closing Reserves	32,472	

### Final Dividend

The Board of Directors of PTC, in its meeting held on February 26, 2026, recommended a final cash dividend of PKR 0 per share for the year ended December 31, 2025 (2024: PKR 0 per share) for the shareholders' approval. The Company has paid interim dividends of PKR 30 per share and PKR 30 per share in Q1, PKR 40 per share in Q2, and PKR 30 per share and PKR 20 per share in Q3 2025, amounting to a total interim dividend of PKR 150. The recommendation for the final cash dividend is subject to approval by shareholders at the Annual General Meeting, scheduled on April 28, 2026.

### Consolidated Financial Statements and Segmental Review

The consolidated financial statements present the combined results of PTC and its wholly owned subsidiary, Phoenix (Private) Limited. The subsidiary remains dormant and has not commenced any commercial operations.

### Subsequent Events Review

Management has reviewed all events occurring subsequent to the financial year end up to the date of this report and confirms that no material events or commitments have arisen that would affect the Company's financial position during this period.

### Operations Review

PTC 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 3 certification, enhancing productivity and efficiency across the entire value chain. Additionally, PTC's Green Leaf Threshing (GLT) facility continues to deliver manufacturing excellence as the first Phase 2 certified factory in the BAT Group under the Integrated Work System (IWS).

In alignment with its Tobacco Harm Reduction agenda, PTC operates a dedicated manufacturing facility at its Jhelum site for producing tobacco-free oral nicotine pouches. This facility is the first of its kind of the BAT Group in the Asia Pacific and Middle East Region. Catering to both domestic and international markets, the facility further reinforces PTC's strategic positioning as a global export hub, supported by best-in-class operational efficiency. During the year, the Company also achieved its highest ever leaf exports, creating significant value for the BAT Group while contributing to foreign currency inflows for the country.

In 2025, the Company advanced its sustainability and environmental stewardship agenda, launching multiple green initiatives. Notably, a 5.9 MW solar power facility

enabled the displacement of over 2,500 tons of CO<sub>2</sub> emissions through renewable energy, making it the largest solar energy park in the BAT Group. In addition, the implementation of DigiChill, enabling Level 4 granularity in energy consumption monitoring and analysis, strengthened data-driven energy efficiency and sustainability outcomes.

PTC continues to accelerate its digital transformation journey, launching several initiatives to enhance operational excellence and real-time performance monitoring through the “Ultimate Control Tower” as well as introducing touchless Primary Manufacturing Department (PMD) operations. In parallel, the Company expanded its manufacturing capacity to meet the growing domestic and international demand for its Brands through commissioning a new production line for Modern Oral products, further reinforcing its ability to support strategic growth objectives.

The Company remains at the forefront of manufacturing excellence by exporting its technical expertise to other BAT entities worldwide. In 2025, the Company extended its leadership in IWS implementation beyond Nigeria & Zambia to include Bangladesh and the USA. PTC continues to drive sustainable performance enhancements and cost efficiencies 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

As part of its ongoing commitment to responsible and sustainable business practices, PTC continued to strengthen its Environment, Social and Governance (ESG) agenda throughout 2025. The Company remained focused on environmental stewardship, supported by sustained investments in renewable energy and overall resource efficiency.

During the year, PTC's on site renewable energy capacity reached 47%, generating 108,328 GJ of clean energy and contributing to a 62% reduction in CO<sub>2</sub> emissions. These efforts reflect the Company's consistent drive to reduce its environmental footprint and enhance long term climate resilience.

Water conservation also remained a central focus of PTC's sustainability strategy. In 2025, the Company recycled 51% of the water used across its operations, maintaining full compliance with its AWS certification requirements.

PTC further advanced its flagship afforestation program, distributing and planting more than 3 million saplings

during the year. This initiative continues to play a vital role in supporting broader environmental regeneration efforts in Pakistan, particularly amid the country's climate related challenges.

On the social front, PTC strengthened its commitment to community health and well being through the Mobile Doctor Unit program. In 2025, more than 145,000 patients received free medical consultations and medicines through this initiative. These units also played a critical role in emergency support during the monsoon floods.

To address the challenge of limited access to clean drinking water in remote communities, the Company ensured the continued operation of 26 water filtration plants, providing up to 20,000 litres of clean water daily.

Through these integrated environmental and social initiatives, PTC reinforced its position as a responsible corporate citizen, embedding sustainability into core operations and community engagement. The Company remains committed to advancing its ESG priorities in a way that delivers shared value to stakeholders and contributes to a more sustainable and resilient future.

## Marketing Review

As 2025 progressed, PTC continued to lead with consumer centric innovation and portfolio agility, even as the market faced ongoing affordability pressures. Despite major disruptions as a consequence of cross border hostilities and one of the most severe flood seasons in recent years, PTC demonstrated exemplary performance by ensuring business continuity allowing it to maintain its industry leadership through effective route to market operations.

Our flagship brand, Capstan by Pall Mall, remained a cornerstone of our success, delivering 20.1 billion sticks in sales and reaffirming its leadership in the category. At the same time, the Company accelerated its differentiation strategy with a series of successful brand launches across key consumer segments, reinforcing PTC's reputation as a market innovator.

PTC's unwavering focus on brand building and route to market optimization resulted in achieving its highest ever market share of 80.3% (+0.1 pp vs SPLY) in the duty paid category. This performance has further strengthened PTC's leadership within the legitimate market.

The Company's strategic commitment to being a truly multi category player also continued to deliver strong results. This was highlighted by the robust performance of VELO™, which achieved an 11.4% increase in volumes in 2025 versus the previous year, while also establishing one of the world's largest active consumer bases with more than half a million consumers.

## Risk Management and Internal Controls

The Board provides rigorous strategic oversight to the Company, ensuring that its internal control environment remains robust and that operational risks are effectively anticipated and managed. PTC's risk management and internal control framework is structured to safeguard shareholder value and protect the Company's assets, with a strong emphasis on early risk identification and timely mitigation to support the achievement of organisational objectives.

A disciplined governance structure, reinforced by comprehensive policies and a culture of accountability, enables the Company to maintain a resilient and consistent compliance environment. Department heads conduct regular assessments of globally defined key controls, and any instances of non-compliance or control deficiencies are promptly escalated to the Governance Committee, accompanied by detailed remediation plans.

The Company maintains full compliance with the requirements of the U.S. Sarbanes Oxley Act of 2002 (SOx), reflecting its commitment to financial integrity, transparency, and strong control standards. Furthermore, all employees reaffirm their adherence to the Company's Standards of Business Conduct annually, reinforcing a unified culture grounded in ethics, integrity, and compliance across the organisation.

## Forward Looking Approach

As we look ahead, 2026 is expected to present another demanding year for the industry. Given the strength of our people, the depth of our brand portfolio, and our comprehensive understanding of the local market, positions us well to navigate these challenges effectively. While broad macroeconomic pressures persist, we remain equally focused on the distinct obstacles facing the local tobacco sector, including elevated taxation levels and insufficient enforcement measures. Aligned with our corporate strategy, the Company remains committed to delivering strong business performance by concentrating on priority objectives that support long term, sustainable growth.

## Drive Growth Agenda

The Company's overarching objective remains the delivery of sustainable long term growth for its shareholders. A predictable and consistently enforced regulatory environment is essential to safeguarding the commercial viability of legitimate industry players to ensure continuity of Government revenues. To that end, the Company will

continue to work closely with relevant authorities to support the full and effective implementation of the Track & Trace System (T&T), using it as a cornerstone for strengthening enforcement across Pakistan.

Looking ahead, the Company is focused on rebuilding its consumer base and strengthening market share by reinforcing the equity of its existing brands and driving planned portfolio enhancements aligned with adult consumer preferences across all operating segments. These efforts will be supported by targeted, insight driven campaigns designed to reach consumers at relevant and high impact touchpoints, enhancing brand visibility and engagement.

By placing the consumer at the heart of its strategy, the Company aims to maintain a resilient and compelling brand portfolio; one that remains differentiated, competitive, and positioned for continued leadership. Through consistent execution of this strategy, the Company is well positioned to sustain its dominance in the legitimate segment of the market and accelerate share recovery across the total industry.

## Maintain Adequate Access to Foreign Currency

Despite the recent strengthening of Pakistan's foreign currency reserves supported by the IMF's Extended Fund Facility (EFF) and continued bilateral assistance from partner countries, managing foreign currency liquidity remains a key priority for the Company. While the State Bank of Pakistan (SBP) has delivered a historic current account surplus and improved liquidity conditions in the market, the Company remains vigilant to ensure that all foreign currency obligations are settled independently and on time. Ensuring the smooth and uninterrupted disbursement of dividends to international shareholders is especially important, as it plays a vital role in maintaining investor confidence and supporting the Company's long term capital structure.

The Government of Pakistan, through the Special Investment Facilitation Council (SIFC) and the Ministry of Finance, has reaffirmed its commitment to supporting the manufacturing sector as a cornerstone of economic stability. A key focus for 2025 is ensuring that dividends to international shareholders are processed without delay; an important step toward rebuilding investor trust and strengthening Foreign Direct Investment (FDI) flows. For PTC, this level of transparency and consistency is essential to maintaining the confidence of British American Tobacco (BAT) Group and the wider global stakeholder community.

At the same time, the Company continues to support the Government's broader agenda of expanding the tax base, particularly through the full and effective implementation of the Track & Trace System, which remains central to establishing a fair and transparent operating environment.

### **Drive Effective Resource Allocation and Cost Management**

The Company continues to operate in an environment characterized by persistent inflationary pressures. The management remains firmly focused on the timely execution of prudent and effective mitigation strategies to safeguard operational efficiency and deliver sustainable value to shareholders.

The local currency is expected to remain under pressure, with limited prospects for near-term appreciation. This is likely to further increase input costs and place pressure on operating margins. The Group continues to focus on reducing working capital to free up liquidity to meet ongoing business needs. Notwithstanding these headwinds, management remains well-equipped and focused on mitigating inflationary pressures, as successfully demonstrated in previous years.

### **Drive Operating and Manufacturing Efficiencies**

The Company is strategically positioned to further enhance operational and manufacturing efficiencies through targeted capital investments. Building on its IWS certification, management remains committed to driving operational excellence and safe working practices, with a strong focus on deploying state-of-the-art equipment and executing machinery upgrades. These initiatives are expected to deliver improved efficiency, reliability, and scalability, while also enabling future product innovations critical to sustaining the Company's competitive advantage.

The Company is adequately equipped to respond to potential increases in market demand and continues to invest proactively in manufacturing capabilities to ensure readiness for evolving regulatory requirements.

In parallel, the Company continues to strengthen its operating infrastructure through ongoing investments in best-in-class Environment, Health and Safety (EH&S) equipment, systems, and processes, reinforcing a safe, compliant, and secure working environment for all employees.

## **Environment, Social & Governance (ESG)**

ESG remains a central pillar of PTC's corporate strategy, shaping its commitment to sustainable growth and responsible business conduct. The Company continues to advance the transition toward reduced-risk products, aiming to lessen the health impact of its operations while investing in initiatives that uplift, support, and empower the communities in which it operates.

Building on a strong foundation, PTC is committed to expanding the scope and impact of its ESG agenda, strengthening its position as a leader in responsible, sustainable, and forward looking corporate practices.

### **Invest In Human Capital And Looking Ahead With Confidence**

Looking ahead, PTC is well-positioned for the future. The refreshed leadership framework strengthened talent architecture, comprehensive wellbeing agenda, and continued cultural focus, position the organisation to navigate emerging challenges with confidence. Investments in digitalization, simplification, and modern people practices ensure that PTC continues to stand out as an employer of choice; powered by a dynamic, engaged, and purpose driven workforce ready to shape the Company's next chapter.

What is clear to us is that our refined strategy is right and the foundations we're building upon are robust. We are transparent about our intention to move our business beyond cigarettes by migrating adult smokers from cigarettes to Smokeless products such as VELO, and to enable consumers of non-tax-paid illicit brands to switch to our compliant products. We are actively engaging with stakeholders, investing heavily in our science, innovation and resource to enable us to execute with precision and achieve high quality, long-term growth – with sustainability and integrity throughout. Our transformation journey is well underway, and we are an organisation ready to deliver, with operational excellence and improving capital allocation flexibility for the benefit of all stakeholders. The future is bright for PTC. The Board of Directors is excited about the difference we can make, and the potential we have to Build a Smokeless World and drive A Better Tomorrow™.

## 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:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow, and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and the accounting estimates are based on reasonable and prudent judgement.
- 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.
- The system of internal controls is sound in design and has been effectively implemented & monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance and listing regulations.
- All major Government levies in the normal course of business, payable as at December 31, 2025, have been disclosed in the notes to the financial statements.
- Key operating and financial data for the last six years in a summarized form is provided separately in the Company's Annual Report.
- Value of investments in employees' retirement funds for the year ended December 31, 2025, are as follows. Further details are provided in Note 33 to the financial statements.

Fund name	(Rs. million)
Staff Pension Fund	10,548
Employees Gratuity Fund	2,822
Management Provident Fund	1,658
Employees Provident Fund	789
Defined Contribution Pension Fund	2,650

### 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
<b>Independent Directors</b>	<b>4</b>
Mr. Nasir Mahmood Khan Khosa <small>Chairman</small>	
Lt. Gen. (R) Najib Ullah Khan	
Mr. M. Sualeh Ahmed Faruqui	
Mr. Asif Jooma	
<b>Non-Executive Directors</b>	<b>5</b>
Mr. Usman Zahur	
Ms. Mona Iskandarani	
Mr. Gary Tarrant	
Mr. Wael Sabra	
Mr. Faisal Saif	
<b>Executive Directors</b>	<b>3</b>
Syed Ali Akbar	
Syed Asad Ali Shah	
Mr. Ahad Khan	

There is a female representation on the Board in compliance with applicable regulatory requirements.

The overall effectiveness of the Board is enhanced by the diversity and breadth of perspective and experience of its members, who combine professional and academic skills and experience, local and international, and collectively possess sufficient financial acumen and knowledge. 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, or non-executive), industry experience and directorship of other companies, are provided separately in the Annual Report.

The status of directorship (independent, executive, or non-executive) is indicated in the Statement of Compliance with the Code of Corporate Governance.

### Changes in the Board

The following changes took place in the Board:

- i Mr. Zafar Mahmood retired and was replaced by Mr. M. Sualeh Ahmed Faruqui w.e.f. 24-04-2025.
- ii Mr. Mohammad Riaz retired and was replaced by Mr. Usman Zahur w.e.f. 24-04-2025.
- iii Mr. Gary Tarrant retired and was replaced by Ms. Mona Iskandarani w.e.f. 24-04-2025.
- iv Syed Muhammad Ali Abrar retired and was replaced by Mr. Ahad Khan w.e.f. 24-04-2025.
- v Ms. Belinda Ross resigned w.e.f. 30-09-2025 and was replaced with Mr. Gary Tarrant w.e.f. 22-10-2025.

### 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 adequate monitoring of the Company's performance. Special meetings are also held throughout the year to discuss important matters, as and when required. In 2025, seven (7) Board meetings were held, out of which the 1<sup>st</sup> meeting was held on 28<sup>th</sup> February 2025.

The notices / agendas of the meetings were circulated in advance, in a timely manner, and in compliance with applicable laws. All Board meetings held during the year met 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 Ex Chairman (retired on 24-04-2025)	2/7
Mr. Nasir Mahmood Khan Khosa Chairman	7/7
Syed Ali Akbar Managing Director and CEO	6/7
Syed Asad Ali Shah Director Legal and Corporate & Regulatory Affairs	7/7
Syed Muhammad Ali Abrar Director Finance & IT (retired on 24-04-2025)	2/7
Mr. Ahad Khan Director Finance & IT	4/7
Ms. Belinda Joy Ross Non-Executive Director (resigned w.e.f. 30-09-2025)	4/7
Mr. Wael Sabra Non-Executive Director	6/7
Mr. Usman Zahur Non-Executive Director	3/7
Mr. Gary Tarrant Non-Executive Director (joined w.e.f. 22-10-2025)	1/7
Mr. Faisal Saif Non-Executive Director	6/7
Ms. Mona Iskandarani Non-Executive Director	4/7
Mr. Mohammad Riaz Independent Director (retired on 24-04-2025)	2/7
Mr. Asif Jooma Independent Director	7/7
Lt. Gen (R) Najib Ullah Khan Independent Director	6/7
Mr. M. Sualeh Ahmed Faruqui Independent Director	5/7

### Meetings Held Outside Pakistan

In 2025, PTC conducted all its Board Meetings in Pakistan.

### Committees of the Board

The Board has four sub-committees that assist the Board in performing 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

In accordance with 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 the 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 recognize 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, 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 Managing Director & CEO 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 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 oversees 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 enhancing 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 to a 3-year term, 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 2025 is demonstrated by the achievement of the corporate plan and compliance with the applicable regulatory requirements.

## Formal Orientation at Induction

Newly inducted Board members are taken through an Induction Plan for his / her orientation and familiarization with the Company's vision, organisational structure, roles, and responsibilities of senior executives, major pending or threatened litigation, policies relating to dividends, whistleblowing, summary of the 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 departments 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 the Directors' Training Program (DTP) approved by SECP.

## Last AGM

The Company's 78<sup>th</sup> AGM (Annual General Meeting) was held on 24<sup>th</sup> April 2025. All shareholders, including minority shareholders, were sent invitations well in advance, including the meeting time and location. High-quality and comfortable arrangements, aimed at facilitating the shareholders of the Company, were made to conduct the AGM.

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

## Auditors

Statutory Audit for the Company for the financial year ended December 31, 2025, has been concluded, and the Auditors have issued their Audit Reports on the Company Financial Statements, Consolidated Financial Statements, and the Statement of Compliance with the Code of Corporate Governance. The Auditors, Messers KPMG Taseer Hadi & Co., shall retire at the conclusion of the Annual General Meeting, and have indicated their willingness to continue as Auditors of PTC. They have confirmed to have achieved a 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, 2026, on the recommendation of the Audit Committee.

This shall be subject to the approval of the shareholders in their meeting scheduled for April 28, 2026.

## Pattern of Shareholding

Our holding company, British American Tobacco (Investments) Limited (BAT-IL), incorporated in the United Kingdom holds 94.34% shares of the Company at the year end. The remaining shareholding is spread across the associated company, institutions, and the general public. The pattern of shareholding as at December 31, 2025, alongside the disclosure as required under the Code of Corporate Governance, is provided separately in this Annual Report.

## Trading in Shares by Directors and Executives

The Directors, Managing Director & CEO, Chief Financial Officer, Company Secretary, and their spouses and minors have not performed any trading in the shares of the Company.

## Review of BCM

PTC recognizes that Business Continuity Management (BCM) is essential to ensuring the Company can continue operating effectively during periods of disruption. To support this, PTC has put in place a comprehensive Business Continuity Management System aligned with international standards, enabling the organisation to:

- Plan and prepare proactively for potential disruptions,
- Respond quickly and appropriately when an incident occurs,
- Access the right expertise and information to manage crises effectively, and

- Resume Business as Usual (BAU) as swiftly as possible to limit any adverse impact.

In 2025, the Company navigated a series of evolving challenges: including heightened Indo-Pak tensions, road blockages in Sindh linked to the canals project, and severe flooding caused by unprecedented monsoon rains. Throughout these events, the PTC Security team demonstrated exceptional agility, conducting rapid risk assessments and implementing resilience measures that significantly improved response times and reduced operational exposure.

During the cross-border hostilities in May 2025, contingency protocols were quickly activated to safeguard critical assets and maintain continuity in production and logistics. Similarly, during the TLP led protests later in the year, security teams were deployed at a pace, with alternative routing plans executed to ensure uninterrupted supply chain operations.

With terrorism threats continuing to escalate across Pakistan, the Company strengthened its risk assessment processes and introduced additional mitigation strategies to protect people, assets, and operations amid a more volatile security landscape.

The leadership team has expressed strong appreciation for the BCM initiatives delivered throughout the year, recognizing them as clear examples of strategic foresight, disciplined preparedness, and operational excellence. These efforts played a pivotal role in enhancing the Company's overall resilience.



**Nasir Mahmood Khan Khosa**

Chairman



**Syed Ali Akbar**

Managing Director & CEO

# SUMMARY OF STATEMENT OF PROFIT OR LOSS AND FINANCIAL POSITION

Rs. in million 2025      2024      2023      2022      2021      2020

## Statement of Profit or Loss

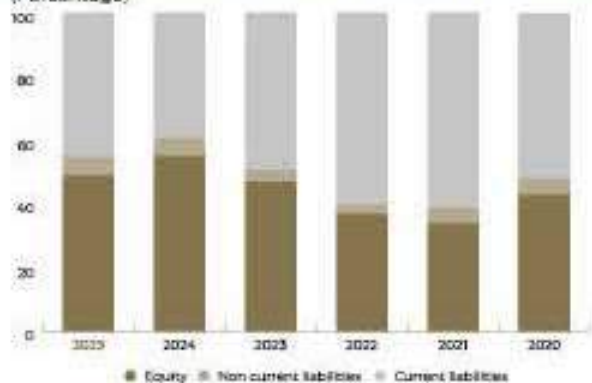
Gross Turnover	Rs. million	374,688	355,507	315,844	232,600	199,469	166,258
Excise Duties / Sales Tax	Rs. million	(235,670)	(234,429)	(205,912)	(137,738)	(124,481)	(105,368)
Net Turnover	Rs. million	139,018	121,078	109,933	94,862	74,988	60,891
Cost of Sales	Rs. million	(71,577)	(61,265)	(50,454)	(49,706)	(39,092)	(29,329)
Profit for the Year	Rs. million	29,855	27,783	28,960	21,321	18,862	16,492
Earning per Share	Rs. / share	116.85	108.74	113.35	83.45	73.83	64.55

## Statement of Financial Position

Property Plant & Equipment/Advances for							
Capital Expenditure	Rs. million	30,698	26,368	23,019	17,334	16,929	15,819
Working Capital (Current Assets-Current Liabilities)	Rs. million	21,129	31,334	32,914	11,067	3,462	6,124
Share Capital & Reserves	Rs. million	46,964	52,290	51,315	26,624	17,973	19,513
Non - Current Liabilities	Rs. million	5,495	5,917	4,664	1,805	2,451	2,462

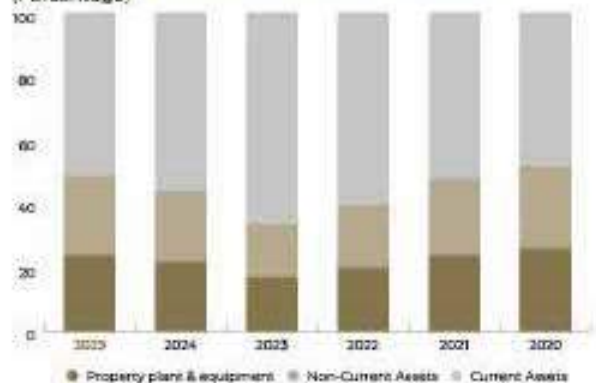
### Financial Position Analysis - Equity & Liabilities

(Percentage)



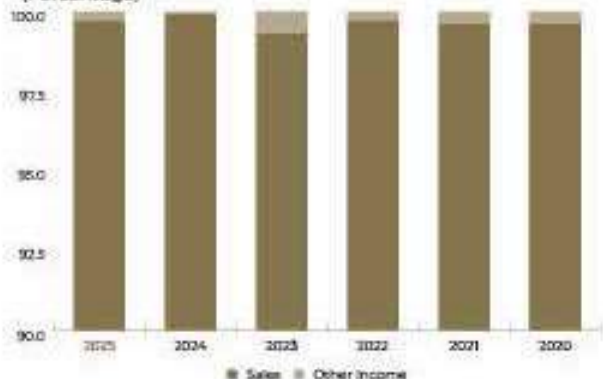
### Financial Position Analysis - Assets

(Percentage)



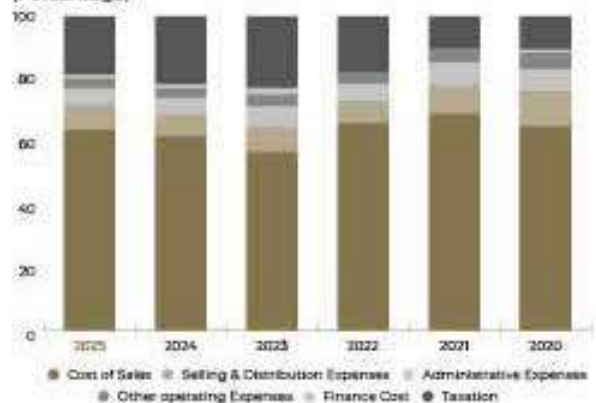
### Profit or Loss Analysis - Income

(Percentage)



### Profit or Loss Analysis - Expenses

(Percentage)



# CASH FLOW ANALYSIS

The Company continues to demonstrate strong cash generation underpinned by efficient operations, prudent financial management, and a highly disciplined approach to working capital. These attributes have allowed the Company to sustain liquidity and support strategic investment priorities throughout the year.

## Cash Flows from Operating Activities

Cash flow from operating activities remained robust during 2025, increasing by 63% from Rs. 19.9 Bn in 2024 to Rs. 32.4 Bn in 2025. This strong performance was supported by improved profitability, effective cost management, and normalization of working capital outflows compared to the prior year. The Company's cash conversion ratio strengthened significantly to 108% of profit after tax (2024: 71%), reflecting the continued quality and resilience of its earnings profile.

## Cash Flows from Investing Activities

During 2025, the Company recorded net cash used in investing activities of Rs. 3.8 Bn (2024: net inflow of Rs. 2.6 Bn), primarily driven by higher capital expenditure of Rs. 6.1 Bn (2024: Rs. 4.2 Bn). Major capital projects during the year included deployment of tax stampers for the FMC facility and upgradation of PMD

infrastructure to support manufacturing efficiency and capacity expansion; and installation of a centralized air-conditioning and solar system, consistent with the Company's sustainability and energy efficiency initiatives.

These planned investments contributed to the increase in property, plant and equipment and are aligned to long term operational and environmental objectives. The impact of higher capital expenditure was partially offset by routine proceeds from asset disposals and treasury related movements.

## Cash Flows from Financing Activities

Cash outflows from financing activities amounted to Rs. 40.2 Bn in 2025, broadly in line with Rs. 41.7 Bn in 2024. The Company's financing cash flows were predominantly driven by dividend payout of Rs 38.3 Bn (2024: Rs. 39.9 Bn), reflecting improved access to foreign currency and the Company's continued focus on delivering sustainable shareholder returns.

As a result, cash and cash equivalents decreased by Rs. 11.6 Bn, reducing from Rs 13.3 Bn at the beginning of the year to Rs. 1.7 Bn at year-end.

Rs. in million

### Statement of Cash Flows

		2025	2024	2023	2022	2021	2020
Cash flow from Operating Activities	Rs. million	32,350	19,860	16,091	24,917	18,973	22,215
Cash flow from Investing Activities	Rs. million	(3,797)	2,636	2,210	742	(1,020)	(3,192)
Cash flow from Financing Activities	Rs. million	(40,161)	(41,690)	(9,206)	(12,906)	(14,548)	(15,317)
Net Change in Cash and Cash Equivalents	Rs. million	(11,608)	(19,194)	9,096	12,753	3,404	3,707
Beginning Cash and Cash Equivalents	Rs. million	13,303	32,497	23,401	10,648	7,244	3,537
Ending Cash and Cash Equivalents	Rs. million	1,695	13,303	32,497	23,401	10,648	7,244

### Cash and Cash Equivalents comprise

		2025	2024	2023	2022	2021	2020
Cash and Bank Balances/Short Term Investments	Rs. million	5,103	13,303	32,497	23,401	10,648	7,244
Short Term Borrowings	Rs. million	(3,408)	-	-	-	-	-
	Rs. million	1,695	13,303	32,497	23,401	10,648	7,244

### Free Cash flows

		2025	2024	2023	2022	2021	2020
Profit before tax	Rs. million	51,116	49,500	50,012	34,734	26,207	22,388
Adjustment non - cash items	Rs. million	5,313	1,046	1,180	1,372	1,520	1,819
Changes in working capital	Rs. million	(2,224)	(8,994)	(15,147)	1,106	(1,006)	3,717
Cash flows from operating activities	Rs. million	54,205	41,552	36,045	37,212	26,721	27,924
Capital expenditure	Rs. million	(6,109)	(4,171)	(5,075)	(1,939)	(2,421)	(4,201)
Free Cash Flows	Rs. million	48,096	37,381	30,971	35,274	24,300	23,723

# PERFORMANCE INDICATOR RATIOS FOR 6 YEARS

		2025	2024	2023	2022	2021	2020
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## Profitability Ratios

Gross Profit Ratio	%	48.5	49.4	54.1	47.6	47.9	51.8
Net Profit to Sales	%	21.5	22.9	26.3	22.5	25.2	27.1
*EBITDA Margin to Sales	%	37.5	38.6	42.9	36.8	36.3	38.3
Operating Leverage Ratio	Times	2.0	(0.1)	1.0	1.7	0.8	2.0
Return on Equity	%	60.2	53.6	74.3	95.6	100.6	87.3
*Return on Capital Employed	%	97.0	76.7	80.4	115.3	124.8	99.4

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

## Liquidity Ratios

Current Ratio	Times	1.5	1.9	1.6	1.3	1.1	1.3
Quick / Acid Test Ratio	Times	0.2	0.5	0.7	0.7	0.4	0.4
**Cash and Cash Equivalents to Current Liabilities	%	3.9	36.4	60.6	54.9	33.3	31.5
Cash flow from Operations to Sales	%	23.3	16.4	14.6	26.3	25.3	36.5

\*\*This includes short term investments as well

## Activity / Turnover Ratios

Inventory Turnover Ratio	Times	1.4	1.3	1.1	2.0	1.8	1.5
No. of Days in Inventory	Days	265.1	291.0	337.6	182.9	205.8	242.5
Debtor Turnover Ratio	Times	-	-	117.5	-	-	-
No. of Days in Receivables	Days	-	-	3.1	-	-	-
Creditor Turnover Ratio	Times	2.5	3.0	1.2	1.7	2.3	2.4
No. of Days in Payables	Days	143.2	122.2	297.2	209.0	160.9	152.7
Total Assets Turnover Ratio	Times	1.5	1.3	1.0	1.3	1.4	1.4
Fixed Assets Turnover Ratio	Times	5.2	4.6	4.8	5.5	4.4	3.8
Operating Cycle	Days	121.9	168.8	43.5	(26.1)	44.9	89.8

## Investment / Market Ratios

Earnings Per Share (EPS) and Diluted EPS	Rs.	116.9	108.7	113.3	83.4	73.8	64.6
Price-Earning Ratio	Times	13.2	12.2	10.0	11.5	16.2	24.9
Dividend Yield Ratio	%	9.7	9.4	2.8	5.0	6.7	3.6
Dividend Payout Ratio	%	128.4	115.0	28.2	57.5	108.4	89.9
Dividend Cover Ratio	Times	0.8	0.9	3.5	1.7	0.9	1.1
Dividend Per Share	Rs.	150.0	125.0	32.0	48.0	80.0	58.0
Stock Dividend per Share	Rs.	-	-	-	-	-	-
Market Value per Share at Year End	Rs.	1,541.7	1,331.8	1,130.6	963.0	1,198.0	1,610.0
Highest Market Value per Share during the Year	Rs.	1,720.0	1,386.9	1,262.1	1,185.0	1,700.0	2,320.0
Lowest Market Value per Share during the Year	Rs.	1,050.0	850.0	579.2	750.0	971.0	1,450.0
Break-up Value per Share	Rs.	183.8	204.7	200.8	104.2	70.3	76.4
Price to Book Ratio	Times	8.4	6.5	5.6	9.2	17.0	21.1

## Capital Structure Ratios

Financial Leverage Ratio	Times	1.9	2.0	2.3	2.8	2.6	2.3
***Weighted Average Cost of Debt	%	-	-	-	-	-	-
***Debt to Equity Ratio (as per book value / market value)	%	-	-	-	0.1	0.1	-
Interest Cover / Time Interest Earned Ratio	Times	60.0	39.8	23.8	107.0	96.5	94.0

\*\*\*The company does not have any long term financing arrangement

# ANALYSIS OF PERFORMANCE INDICATORS

## Profitability Ratios

The Company's profitability ratios remained resilient in 2025 despite inflationary pressures, higher capex-linked operating costs, and a competitive market backdrop. Gross profit ratio stood at 48.5% (2024: 49.4%), reflecting stable leaf prices and improved manufacturing efficiencies, partially offset by the impact of additional capacity-related operating expenditure. Net profit to sales ratio remained healthy at 21.5%, supported by a 14.8% growth in net turnover and a 7.5% increase in profit after tax.

The EBITDA margin remained strong at 37.5%, demonstrating continued operational discipline. Enhanced profit delivery translated into improved shareholder returns, with return on equity increasing to 60.2% (2024: 53.6%). Return on capital employed also strengthened to 97.0%, driven by higher operating profit and disciplined capital allocation.

Together, these indicators highlight the Company's ability to maintain profitability while investing in long term capacity and sustainability initiatives.

## Liquidity Ratios

Liquidity remained sound during 2025, supported by strong operating cash flows of Rs 32.4 Bn and significantly improved working capital performance. Although the current ratio moderated to 1.5x (2024: 1.9x), the Company maintained sufficient liquidity buffers throughout the year.

The quick ratio decreased to 0.2x, reflecting the deployment of short term running finance and cash balances towards dividend disbursement and capex initiatives. Cash and cash equivalents to current liabilities decreased to 3.9x, largely due to the timing of upstream dividends and temporary use of short term running finance.

Overall liquidity remained robust, reinforced by solid internal cash generation, efficient working capital management, and improved access to foreign currency, which enabled the payout of Rs 38.3 Bn dividends during the year.

## Activity / Turnover Ratios

The Company continued to emphasize operational efficiency, with activity ratios reflecting improved asset utilization and working capital discipline. Inventory turnover remained stable at 1.3x, while days in inventory decreased to 274.5 days, supported by better demand aligned procurement planning and supply chain optimization.

Creditor turnover softened to 2.5x (2024: 3.0x), with days in payables increasing to 143.2 days, driven by structured payment cycles and vendor engagement under established procurement arrangements. Total asset turnover strengthened to 3.9x, reflecting improved revenue generation from the existing asset base. Fixed Assets turnover remained efficient at 12.2x, driven by improved plant utilization and capital expenditures related to the PMD upgrade, installation of solar systems, and centralized air-conditioning.

The operating cycle improved sharply to 131 days, compared to 169 days in 2024, indicating more efficient working capital deployment.

## Investment / Market Ratios

Market based performance indicators demonstrated continued investor confidence. Earnings per share increased to Rs 116.9 (2024: Rs 108.7), supported by higher profitability. The Price Earnings (P/E) ratio improved to 13.2x, reflecting positive market sentiment and strengthened financial performance.

Dividend metrics also improved, with the dividend per share rising to Rs 150 in line with enhanced shareholder distributions. Dividend payout ratio increased to 128.4%, while dividend yield remained strong at 9.7%, positioning the Company as an attractive income generating investment.

The Company's share price closed the year at Rs 1,542, with a year-high of Rs 1,720, underscoring sustained investor confidence and the Company's resilient operating fundamentals.

## Capital Structure Ratios

The Company continued to maintain a conservative capital structure, characterized by minimal reliance on long term debt and strong internally generated funding. The financial leverage ratio remained stable at 1.9x, supported by a solid equity base and healthy profitability. Interest cover strengthened significantly to 63.2x (2024: 39.8x), driven by improved operating profit and reduced exposure to finance costs.

The Company's capital structure remains anchored in disciplined cash management and prudent financing practices. Funding requirements associated with new MO lines and sustainability initiatives, including the biomass boiler, were largely met through internal cash generation, demonstrating the Company's strong balance sheet capacity and financial resilience.

# NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN that the Seventy Ninth (79<sup>th</sup>) Annual General Meeting (Meeting) of Pakistan Tobacco Company Limited (“the Company”) will be held physically at the Marriott Hotel, Agha Khan Road, Islamabad as well as electronically on Tuesday, the 28<sup>th</sup> April 2026 at 10.00 am to transact the following business.**

## Ordinary Business:

1. To confirm the Minutes of the 78th Annual General Meeting of the Company held on April 24, 2025.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended 31st December 2025, 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, 2025.
4. To appoint Auditors and to fix their remuneration for the year ending 31st December 2026. The present Auditors, Messrs. KPMG, Chartered Accountants being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the Chair

By order of the Board



**Sami Zaman**  
Company Secretary

Islamabad: April 07, 2026

## NOTES:

### 1. Annual Report

A soft copy of the annual report for the year ended on December 31, 2025 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](http://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](mailto: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 21st April to 28th April 2026 (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 Monday, 20th April 2026, 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.

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](http://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. 28th April 2026 at 10.00 AM). Proxy form(s) received after the said forty-eight (48) hours i.e. after 10:00 AM on 26th April, 2026 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](mailto:PTC_AGM@bat.com) by 10:00am on 20th April 2026 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 dividend of such shareholders.

#### **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](http://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 20th April, 2026.

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 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 and CNIC #	Shareholding Proportion (No. of Share)	Name and CNIC #	Shareholding Proportion (No. of Share)

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 Shareholders:**

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 20<sup>th</sup> April 2026. The copy of declaration form can be downloaded from the Company’s Shares Registrar website: [www.famcosrs.com](http://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. 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.

## 13. 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.

## 14. 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.

## 15. Contact 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](mailto: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](mailto: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, 2025**

The Company has complied with the requirements of the Regulations in the following manner:

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



2. The Board's composition is as follows:

## Independent Directors

Mr. Nasir Mahmood Khan Khosa (Chairman)

Lt. Gen. (R) Najib Ullah Khan

Mr. M. Sualeh Ahmed Faruqui

Mr. Asif Jooma

## Non - Executive Directors

Mr. Wael Sabra

Ms. Mona Iskandarani

Mr. Usman Zahur

Mr. Gary Tarrant

Mr. Faisal Saif

## Executive Directors

Syed Ali Akbar (Managing Director and CEO)

Mr. Ahad Khan

Syed Asad Ali Shah

## Female Directors

Ms. Mona Iskandarani

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- 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.
- 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 Act and the Regulations.
- 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.
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- Six out of twelve have already attended the Directors 'Training Program.
- 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.
- 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) Audit Committee**

Mr. Asif Jooma	Member & Chairman
Lt. Gen. (R) Najib Ullah Khan	Member
Mr. M. Sualeh Ahmed Faruqui	Member
Mr. Wael Sabra	Member
Mr. Garry Tarrant	Member
Mr. Faisal Saif	Member

**b) HR and Remuneration Committee**

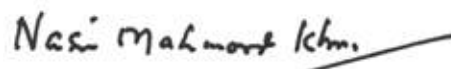
Lt. Gen. (R) Najib Ullah Khan	Member & Chairman
Mr. M. Sualeh Ahmed Faruqui	Member
Mr. Asif Jooma	Member

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 2025.
- b) HR and Remuneration Committee: One (1) meeting was held during the year ended 31 December 2025.
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 Managing Director & CEO, 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.



**Nasir Mahmood Khan Khosa**

Chairman



**Syed Ali Akbar**

Managing Director & CEO

# INDEPENDENT AUDITOR'S 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**

### **Opinion**

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 2025 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. 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.

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 2025.

*KPMG Taseer Hadi*

**KPMG Taseer Hadi & Co.**

Chartered Accountants

Islamabad

Date: 6 April 2026

UDIN: CR2025102409NrwIWULY

PAKISTAN TOBACCO COMPANY LIMITED

**FINANCIAL**  
**STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

# INDEPENDENT AUDITOR'S REPORT

## To the members of Pakistan Tobacco Company Limited Report on the Audit of the Financial Statements

### **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 2025, and the statement of profit or loss, the 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 2025 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:

S. No.	Key audit matters	How the matters were addressed in our audit
1	<p><b>Revenue recognition</b></p> <p>Refer notes 7.1 and 9 to the financial statements.</p> <p>The Company is engaged in the production and sale of tobacco products and velo. For the year ended December 31, 2025, the Company recognized net turnover of Rs. 139,018 million from the sales of Factory Manufactured Cigarettes (FMC), tobacco and Modern Oral (Velo).</p> <p>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.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers.'</li> <li>• 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</li> <li>• Assessing the appropriateness of disclosures in the financial statements.</li> </ul>
2	<p><b>Valuation of stock-in-trade</b></p> <p>Refer notes 7.10 and 22 to the financial statements.</p> <p>As at December 31, 2025, stock-in-trade is stated at Rs. 53,837 million. Stock-in-trade is measured at the lower of cost or net realizable value.</p> <p>We identified valuation of stock-in-trade as a key audit matter due to its size, representing 56.13% of total assets of the Company as at December 31, 2025, and the judgment involved in valuation.</p>	<p>Our audit procedures in respect of valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the design, implementation, and operating effectiveness of key internal controls over valuation of stock-in-trade including determination of net realizable values.</li> <li>• Attending inventory counts and reconciling the count results to the inventory listings.</li> <li>• Assessing the accuracy of cost of stock-in-trade in accordance with the accounting policy.</li> <li>• 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</li> <li>• 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.</li> </ul>

## **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, 2025 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 scepticism 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 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017).
- 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.
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 & Co.*

### KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Date: 6 April 2026

UDIN: AR202510240iMr40zSO

# STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
Gross turnover	9	374,688,164	355,506,715
Excise duties		(177,963,705)	(179,481,016)
Sales tax		(57,706,226)	(54,947,896)
<b>Net turnover</b>		139,018,233	121,077,803
Cost of sales	10	(71,577,252)	(61,264,603)
<b>Gross profit</b>		67,440,981	59,813,200
Selling and distribution expenses	11	(9,516,228)	(7,193,982)
Administrative expenses	12	(5,867,276)	(4,986,051)
Other operating expenses	13	(3,907,457)	(3,406,342)
Other income	14	1,135,649	221,614
		(18,155,312)	(15,364,761)
<b>Operating profit</b>		49,285,669	44,448,439
Finance income	15	2,651,611	6,325,660
Finance cost	16	(821,657)	(1,274,538)
Net finance income		1,829,954	5,051,122
Profit before income tax and levies		51,115,623	49,499,561
Levies		–	–
<b>Profit before income tax</b>		51,115,623	49,499,561
Income tax expense	17	(21,260,798)	(21,716,628)
<b>Profit for the year</b>		29,854,825	27,782,933
<b>Earnings per share (basic and diluted) – (Rupees)</b>	18	116.85	108.74

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



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# STATEMENT OF COMPREHENSIVE INCOME


## For the year ended December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
<b>Profit for the year</b>		29,854,825	27,782,933
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
– Remeasurement gain on defined benefit pension and gratuity plans	33	212,391	405,392
– Tax charge related to remeasurement gain on defined benefit pension and gratuity plans	17	(82,832)	(158,103)
		129,559	247,289
<b>Total comprehensive income for the year</b>		<b>29,984,384</b>	<b>28,030,222</b>

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



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# STATEMENT OF FINANCIAL POSITION

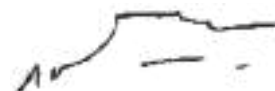
As at December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
<b>Non current assets</b>			
Property, plant and equipment	19	28,763,826	24,686,758
Advance for capital expenditure		1,933,966	1,681,630
Employees' retirement benefits	33	583,212	472,426
Long term investment in subsidiary company	20	5,000	5,000
Long term deposits	21	44,114	27,895
		31,330,118	26,873,709
<b>Current assets</b>			
Stock-in-trade	22	53,837,567	48,841,991
Stores and spares	23	673,348	605,175
Trade debts	24	2,650	3,364
Loans and advances	25	611,147	907,989
Short term prepayments		222,028	277,399
Other receivables	26	7,550,193	4,298,935
Cash and cash equivalents	27	1,694,868	13,302,754
		64,591,801	68,237,607
<b>Current liabilities</b>			
Trade and other payables	28	32,203,329	28,895,768
Other liabilities	29	4,764,532	2,741,079
Lease liabilities	31	569,898	719,693
Unpaid dividend		164,725	142,980
Unclaimed dividend		178,355	133,968
Current income tax liabilities		5,581,723	4,270,399
		43,462,562	36,903,887
<b>Net current assets</b>		21,129,239	31,333,720
<b>Non current liabilities</b>			
Lease liabilities – non current	31	3,821,691	3,161,701
Employees' retirement benefits	33	–	264,892
Deferred income tax liabilities	32	1,673,689	2,490,869
		5,495,380	5,917,462
<b>Net assets</b>		46,963,977	52,289,967
<b>Share capital and reserves</b>			
Share capital	34	2,554,938	2,554,938
Capital reserve	35	11,937,195	8,923,501
Revenue reserve – Unappropriated profits		32,471,844	40,811,528
		46,963,977	52,289,967
<b>Contingencies and commitments</b>	36		

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



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# STATEMENT OF CHANGES IN EQUITY

## For the year ended December 31, 2025

	Share Capital	Capital Reserve - other reserve	Revenue Reserve - Unappropriated Profit	Total
<b>Balance as at January 1, 2024</b>	2,554,938	4,042,204	44,718,031	51,315,173
<b>Total comprehensive income for the year:</b>				
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
<b>Transactions with owners of the Company:</b>				
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)
<b>Balance as at December 31, 2024</b>	2,554,938	8,923,501	40,811,528	52,289,967
<b>Balance as at January 01, 2025</b>	2,554,938	8,923,501	40,811,528	52,289,967
<b>Total comprehensive income for the year:</b>				
Profit for the year	-	-	29,854,825	29,854,825
Other comprehensive income for the year	-	-	129,559	129,559
Total comprehensive income for the year	-	-	29,984,384	29,984,384
Non reciprocal capital contribution/waiver of liabilities	-	3,013,694	-	3,013,694
<b>Transactions with owners of the Company:</b>				
Interim dividend of Rs. 30 per share relating to the year ending December 31, 2025	-	-	(7,664,813)	(7,664,813)
Interim dividend of Rs. 30 per share relating to the year ending December 31, 2025	-	-	(7,664,813)	(7,664,813)
Interim dividend of Rs. 40 per share relating to the year ending December 31, 2025	-	-	(10,219,752)	(10,219,752)
Interim dividend of Rs. 30 per share relating to the year ending December 31, 2025	-	-	(7,664,814)	(7,664,814)
Interim dividend of Rs. 20 per share relating to the year ending December 31, 2025	-	-	(5,109,876)	(5,109,876)
Total transactions with owners of the Company	-	-	(38,324,068)	(38,324,068)
<b>Balance as at December 31, 2025</b>	2,554,938	11,937,195	32,471,844	46,963,977

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



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# STATEMENT OF CASH FLOWS

## As at December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	41	54,203,934	41,551,511
Finance cost paid		(118,837)	(94,585)
Income tax paid		(20,849,487)	(20,494,533)
Contribution to retirement benefit funds		(886,044)	(1,102,389)
Net cash generated from operating activities		32,349,566	19,860,004
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(5,856,257)	(3,836,418)
Advance for capital expenditure		(252,335)	(334,898)
Proceeds from sale of property, plant and equipment		735,364	481,320
Interest received		1,576,402	6,325,660
Net cash (used) / generated from investing activities		(3,796,826)	2,635,664
<b>Cash flows from financing activities</b>			
Dividends paid		(38,257,937)	(39,906,018)
Lease payments		(1,902,689)	(1,783,490)
Net cash used in financing activities		(40,160,626)	(41,689,508)
Net decrease increase in cash and cash equivalents		(11,607,886)	(19,193,840)
Cash and cash equivalents at beginning of the year		13,302,754	32,496,594
<b>Cash and cash equivalents at end of the year</b>		<b>1,694,868</b>	<b>13,302,754</b>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances	27	5,102,641	13,302,754
Short term running finance	27	(3,407,773)	-
		1,694,868	13,302,754

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



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 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 and Velo products.

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 51,800 million cigarettes (2024: 46,780 million cigarettes) actual production was 30,035 million cigarettes (2024: 29,262 million cigarettes). For modern oral manufacturing capacity was 1,342 million pouches (2024: 1,250 million) and actual production was 1,000 million pouches (2024: 778 million). The split from each industrial unit is given below.

FMC Site	Manufacturing Capacity	
	2025 (Units in Millions)	2024 (Units in Millions)
Akora Khattak Factory	21,100	23,180
Jhelum Factory	30,700	23,600
Total	51,800	46,780
Modern Oral Jhelum Factory	1,342	1,250

FMC Site	Actual Production	
	2025 (Units in Millions)	2024 (Units in Millions)
Akora Khattak Factory	14,467	13,943
Jhelum Factory	15,568	15,319
Total	30,035	29,262
Modern Oral Jhelum Factory	1,000	778

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

#### Number of employees

Total number of employees as at December 31, 2025 were 1,053 (2024: 1,034). Out of the total number of employees, the number of factory employees as at December 31, 2025 were 389 (2024: 393). Average number of employees during the year were 1,007 (2024: 1,023), whereas average factory employees during the year were 381 (2024: 394).

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 2 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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

### 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). All amounts have been rounded to nearest thousand unless otherwise indicated.

### 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 recognized, 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 7.9 & 19 – useful lives, residual values and depreciation method of property, plant and equipment
- Note 7.7 & 33 – Retirement benefits

#### Other estimates

- Note 22 and 23 – Provision of obsolescence of stock in trade and stores and spares
- Note 17 and 32 – Provision for income tax and calculation of deferred tax.
- Note 37 – Financial instrument – fair value
- 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 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 interpretation that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2026:

#### General

- 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize 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 derecognize its trade payable before the settlement date, 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:

Disclosures on investments in equity instruments:

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

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments for hedge accounting:

The new disclosure requirements:

The amendments apply for reporting periods beginning on or after 1 January 2026.

Early application is permitted.

- **Adoption of IFRS 18 and IFRS 19**

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1(b)(ii), 1(b)(iia) and 1(b)(iii) of the Third Schedule to the Act) may follow "IFRS-19, "Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

- **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. Early adoption continues to be permitted.

The management anticipates that, the adoption of above standards, amendments and interpretations in future periods, will not have material impact on financial statements other than in presentation / disclosures.

The Company is still in the process of assessing the impact on presentation/ disclosures of the new accounting standards, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cashflows and the additional disclosures.

## 7 Material accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all periods presented in these financial statements.

### 7.1 Revenue recognition

Net Revenue (net turnover) represents gross revenue net of indirect taxes. Gross revenue (gross turnover) is 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 recognized 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 recognized 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### **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.

### **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 recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in the equity. In this case, income tax is also recognized 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 recognized, 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 recognized for all taxable temporary differences and deferred tax assets are recognized 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 recognized 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 recognized for future operating losses. All provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 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 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 recognized in the financial statements.

### 7.7 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 recognized 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 the profit or loss.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 recognized as employee benefit expense when they are due. Prepaid contributions, if any, are recognized 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 recognizes 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 recognizes a liability and an expense for bonuses based on a formula that takes into consideration the performance of the British American Tobacco (BAT) group. The Company recognizes 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 7.8 Lease liability

At the commencement date of the lease, the Company recognizes 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 recognized 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 recognized as expense on a straight-line basis over the lease term.

### 7.9 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 recognized 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 derecognized.

All other repairs and maintenance expenses are recognized 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 of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases on the date that the asset is derecognised.

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 recognized in the statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### **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 useful life of right of use asset or actual lease term.

### **7.10 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.

### **7.11 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 recognized. The Company reviews the carrying number of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

### **7.12 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### (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.

### iv. De-recognition

The Company derecognizes 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 derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognizes 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 recognizes 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 assess 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 recognized 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 recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

### **7.13 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.

### **7.14 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.

### **7.15 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 recognized in the statement of profit of loss.

### **7.16 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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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.

### **8 Other accounting policies**

#### **8.1 Income on bank deposit**

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

#### **8.2 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.

#### **8.3 Others**

Scrap sales and miscellaneous receipts are recognized on realized amounts. All other income is recognized on accrual basis.

#### **8.4 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 recognized 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.

#### **8.5 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.

#### **8.6 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 recognized until their realization becomes certain.

#### **8.7 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>9 Gross turnover</b>		
– Domestic	360,238,522	345,475,397
– Export	14,449,642	10,031,318
	374,688,164	355,506,715

Revenue recognised during the year that was included in advances from domestic customers and intercompany customers at the beginning of the year amounted to Rs. 107,222 thousand (2024: Rs. 2,890 thousand) and Rs. 1,802,891 thousand (2024: Rs. 1,338,848 thousand) respectively.

	2025 Rs. '000	2024 Rs. '000
<b>10 Cost of sales</b>		
<b>Raw material consumed</b>		
Opening stock of raw materials and work in process	47,691,848	43,673,170
Raw material purchases and expenses – note 10.1	57,884,167	50,601,938
Closing stock of raw materials and work in process	(51,218,247)	(47,691,848)
	54,357,768	46,583,260
<b>Government Taxes and Levies on Purchases</b>		
Customs duty and surcharges	1,251,153	1,182,183
Provincial and municipal taxes and other duties	1,266,158	1,142,649
	2,517,311	2,324,832
	56,875,079	48,908,092
<b>Provision for severance benefits</b>	1,682,191	253,182
<b>Production overheads</b>		
Salaries, wages and benefits	4,914,873	3,873,700
Stores, spares and machine repairs	3,488,315	2,288,706
Fuel and power	2,750,417	1,692,260
Insurance	167,635	112,261
Repairs and maintenance	977,287	647,272
Postage, telephone and stationery	43,977	27,674
Information technology	102,597	62,893
Depreciation – note 19.3	1,516,617	1,316,143
Provision for damaged stocks / stock written off	113,691	414,446
(Reversal) / Provision for slow moving items / stores written off	(28,054)	104,375
Sundries	315,211	141,225
	14,362,566	10,680,955
<b>Cost of goods manufactured</b>	72,919,836	59,842,229
Cost of finished goods		
Opening stock	1,718,694	3,141,068
Closing stock	(3,061,278)	(1,718,694)
	(1,342,584)	1,422,374
<b>Cost of sales</b>	71,577,252	61,264,603

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>10.1 Raw material purchases and expenses:</b>		
Materials	50,400,323	45,600,844
Salaries, wages and benefits	2,344,333	1,816,937
Stores, spares and machine repairs	1,066,523	534,465
Fuel and power	864,401	712,673
Property rentals	58,133	4,801
Insurance	49,704	35,611
Repairs and maintenance	842,763	572,683
Postage, telephone and stationery	113,659	94,397
Depreciation / impairment – note 19.3	578,388	188,236
Sundries	1,565,940	1,041,291
	57,884,167	50,601,938

<b>11 Selling and distribution expenses</b>		
Salaries, wages and benefits	1,590,123	1,578,960
Selling expenses	7,202,761	4,671,993
Freight	246,283	199,049
Repairs and maintenance	36,716	38,350
Postage, telephone and stationery	9,372	8,126
Travelling	125,609	108,844
Property rentals	19,552	25,515
Insurance	30,160	40,323
Provision for damaged stocks / stock written off	(96,324)	28,960
Finished goods / wrapping material stock written off	–	194,723
Depreciation / impairment – note 11.1 & 19.3	351,976	299,139
	9,516,228	7,193,982

**11.1** This includes impairment on property, plant & equipment amounting to Rs. nil thousand (2024: Rs. 418 thousand).

	2025 Rs. '000	2024 Rs. '000
<b>12 Administrative expenses</b>		
Salaries, wages and benefits	1,602,908	1,488,421
Fuel and power	17,762	18,177
Insurance	16,863	13,953
Repairs and maintenance	108,194	62,736
Postage, telephone and stationery	32,092	12,181
Legal and professional charges	152,858	127,445
Donations – note 12.1	300	600
Information technology	3,245,778	2,611,223
Travelling	185,316	161,102
Depreciation / impairment – note 19.3	437,915	441,515
Auditor's remuneration and expenses – note 12.2	32,228	25,753
Sundries	35,062	22,945
	5,867,276	4,986,051

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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>12.2</b> Auditor's remuneration and expenses include:		
– Statutory audit fee	4,917	4,097
– 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	25,335	19,835
– Out of pocket expenses	1,976	1,821
	32,228	25,753
<b>13 Other operating expenses</b>		
Workers' Profit Participation Fund – note 26.1	2,756,028	2,483,410
Workers' Welfare Fund – note 28.8	1,151,429	922,932
	3,907,457	3,406,342
<b>14 Other income</b>		
Recharge of expenses to associated companies:		
– BAT Middle East DMCC – UAE	804,421	–
Gain on disposal of property, plant and equipment	327,537	218,074
Miscellaneous	3,691	3,540
	1,135,649	221,614
<b>15 Finance income</b>		
Interest income on:		
Treasury Bills	1,548,489	6,229,822
Saving account	27,912	95,838
Foreign exchange gain – net	1,075,210	–
	2,651,611	6,325,660
<b>16 Finance cost</b>		
Interest expense on:		
Bank borrowings	7,590	5,102
Lease liability	702,820	756,404
Bank charges and fees	111,247	89,483
Foreign exchange loss – net	–	423,549
	821,657	1,274,538
<b>17 Income tax expense</b>		
<b>Income tax – note 17.1</b>		
Current:		
For the year	22,251,546	21,207,189
For prior years	(90,736)	271,792
	22,160,810	21,478,981
Deferred	(900,012)	237,647
	21,260,798	21,716,628

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**17.1** Income tax, amounting to Rs. 21,260,798 thousand (2024: Rs. 21,716,628 thousand) represents tax liability calculated under relevant provisions of the Income Tax Ordinance 2001, in line with the requirements of IAS 12.

**17.2 Effective tax rate reconciliation:**

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

	2025 %	2024 %
Applicable tax rate	29.00	29.00
Tax effect of:		
Super tax – current year	11.14	10.07
Prior year charge	(0.18)	0.36
Others	1.63	4.44
Average effective tax rate	41.59	43.87

	2025 Rs. '000	2024 Rs. '000
<b>17.3</b> Tax on items directly credited to statement of other comprehensive income		
Deferred tax charge on defined benefit plans	82,832	158,103

<b>18 Earnings per share</b>		
Profit after tax (Rs. '000)	29,854,825	27,782,933
Number of fully paid weighted average ordinary shares ('000)	255,494	255,494
Earnings per share – Basic (Rs.)	116.85	108.74

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

	2025 Rs. '000	2024 Rs. '000
<b>19 Property, plant and equipment</b>		
Operating assets – note 19.1	22,149,127	20,288,997
Capital work in progress – note 19.2	6,614,699	4,397,761
	28,763,826	24,686,758

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 19.1 Operating assets

	Free-hold land Rs. '000	Buildings on free-hold land Rs. '000	Plant and machinery Rs. '000	Office and household equipment Rs. '000	Furniture and fittings Rs. '000	Vehicles Rs. '000	Right of use assets				Total Rs. '000
							Building	Factory vehicles-fork lifter trucks	Vehicles	Sub- total	
							Rs. '000	Rs. '000	Rs. '000	Rs. '000	
<b>At January 1, 2024</b>											
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
<b>Year ended December 31, 2024</b>											
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 - note 19.2	-	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	-	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
<b>At December 31, 2024</b>											
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
<b>At January 1, 2025</b>											
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 January 1, 2025	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
<b>Year ended December 31, 2025</b>											
Net book value at January 1, 2025	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
Additions	-	6,003	88,614	251,637	28,667	-	464,201	247,448	1,225,502	1,937,151	2,312,072
Transfer from CWIP - note 19.2	-	929,440	1,139,727	844,757	163,230	-	35,748	-	-	35,748	3,112,902
Disposals	-	-	(404,505)	-	-	(3,322)	(4,603)	-	(267,518)	(272,121)	(679,948)
Depreciation charge / impairment	-	(58,012)	(1,002,734)	(486,554)	(69,548)	(4,918)	(571,630)	(157,021)	(534,479)	(1,263,130)	(2,884,896)
Net book value at December 31, 2025	30,570	2,246,562	12,974,119	1,509,832	449,081	50,786	2,409,480	217,999	2,260,698	4,888,177	22,149,127
<b>At December 31, 2025</b>											
Cost	30,570	2,806,815	27,817,754	4,527,978	1,053,491	72,900	3,907,282	733,464	3,481,214	8,121,960	44,431,468
Accumulated depreciation / impairment	-	(560,253)	(14,843,635)	(3,018,146)	(604,410)	(22,114)	(1,497,802)	(515,465)	(1,220,516)	(3,233,783)	(22,282,341)
Net book value at December 31, 2025	30,570	2,246,562	12,974,119	1,509,832	449,081	50,786	2,409,480	217,999	2,260,698	4,888,177	22,149,127

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**19.1.1** Disposals of assets are presented at net book value Rs. 679,948 thousand having cost of Rs. 2,949,277 thousand and accumulated depreciation Rs. 2,269,329 thousand (2024: NBV of Rs. 263,246 thousand having cost of Rs. 693,092 thousand and accumulated depreciation disposed off Rs. 429,846 thousand) as at the date of disposal.

**19.1.2** The additions include Intercompany transfers of Assets with a net book value (NBV) of Rs. 151,869 thousand having cost of Rs. 681,141 thousand and accumulated depreciation transferred of Rs. 529,272 thousand (2024: NBV of Rs. 61,132 thousand having cost of Rs. 1,039,277 thousand and accumulated depreciation transferred of Rs. 978,145 thousand).

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

Location	Total Area
<b>Production Plants</b>	
Jhelum	58.3 Acres
Akora	61.0 Acres
<b>Warehouses</b>	
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.

	2025 Rs. '000	2024 Rs. '000
<b>19.2 Capital work in progress</b>		
Carrying value at 01 January	4,397,761	2,641,929
Additions during the year	5,329,840	3,084,243
	9,727,601	5,726,172
Transferred to operating fixed assets	(3,112,902)	(1,328,411)
Carrying value at 31 December – note 19.2.1	6,614,699	4,397,761

**19.2.1** CWIP includes capital expenditure on projects related to the installation of new, as well as the enhancement of existing equipment.

	2025 Rs. '000	2024 Rs. '000
<b>19.3</b> Depreciation / impairment charge has been allocated as follows:		
Cost of sales	1,516,617	1,316,143
Raw material purchases and expenses	578,388	188,236
Selling and distribution expenses	351,976	299,139
Administrative expenses	437,915	441,515
	2,884,896	2,245,033

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**19.4** 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		
<b>Plant &amp; machinery</b>						
- by negotiation	295,637	284,265	284,265	-	RJ Reynolds Tobacco Co.- USA	Associated company
	260,525	59,095	59,095	-	RJ Reynolds Tobacco Co.- USA	Associated company
	104,993	60,126	60,126	-	BAT M.E DMCC - U.A.E	Associated company
<b>Vehicles</b>						
-as per Company's policy	3,483	789	695	(94)	Hunnain Mustafa	Assignee-Associated Co.
	3,613	1,493	1,252	(241)	Ali Tariq	Executive
	3,658	927	732	(195)	Badar Azeem Baig	Executive
	3,658	780	732	(48)	Kamran Babar	Executive
	3,663	830	733	(97)	Mazhar Mehboob	Assignee-Associated Co.
	3,733	1,244	897	(347)	Zain Zafar	Executive
	3,733	946	747	(199)	Shafqat Sahi	Executive
	3,913	1,983	1,592	(391)	Adil Ahmed	Assignee-Associated Co.
	3,984	2,391	1,808	(583)	Shahmir Ahmed	Assignee-Associated Co.
	3,987	2,711	2,732	21	Fahad Naseem	Executive
	4,137	938	827	(111)	Shadman Safdar	Executive
	4,137	1,103	827	(276)	Jamal Toru	Executive
	4,417	1,885	1,768	(117)	Agha Nawazish	Assignee-Associated Co.
	5,343	3,206	3,080	(126)	Haseeb Ahmed	Ex-Executive
	5,343	3,704	3,120	(584)	Ashir Baig	Assignee-Associated Co.
	6,630	3,713	3,532	(181)	Ahsan Minhas	Assignee-Associated Co.
	6,630	3,624	2,517	(1,107)	Faisal Iqbal	Ex-Executive
	6,756	4,594	4,526	(68)	Sayed Sohaib	Assignee-Associated Co.
	6,756	4,234	4,011	(223)	Mehrab Khan	Assignee-Associated Co.
	6,974	4,928	4,907	(21)	Ruqayyah Tanveer	Assignee-Associated Co.
	6,974	5,765	5,452	(313)	Hassan Bhutta	Assignee-Associated Co.
	6,974	5,579	5,528	(51)	S.Nigha Kazmi	Executive
	6,974	5,672	5,808	135	Awais Amin	Executive
	7,156	4,771	4,866	95	Aneeq Raheem	Assignee-Associated Co.
	7,204	4,707	4,520	(187)	Zeeshan Sirhindi	Executive
	7,204	5,475	5,107	(368)	Hassan Khan	Executive
	8,690	7,531	7,421	(110)	Alamdard Raza	Executive
	8,694	7,303	7,135	(168)	Amna Aslam	Executive
	8,749	8,166	8,362	197	Shahpar Mehboob	Ex-Executive
	8,887	6,043	5,685	(358)	Arslan Javed	Ex-Executive
	8,980	5,867	5,370	(497)	Nayab Maqsood	Assignee-Associated Co.
	10,611	9,197	7,680	(1,516)	Rida Zubairi	Executive
	12,087	6,769	5,941	(828)	Mir Faraz	Assignee-Associated Co.
	19,998	18,398	16,670	(1,728)	Waseem Hayat	Ex-Executive
	4,160	1,719	1,719	-	BAT SAA Services (Pvt) Ltd	Associated Company
	4,221	1,745	1,745	-	BAT SAA Services (Pvt) Ltd	Associated Company
	4,417	1,826	1,826	-	BAT SAA Services (Pvt) Ltd	Associated Company
	3,987	2,286	2,286	-	BAT SAA Services (Pvt) Ltd	Associated Company
	3,987	2,286	2,286	-	BAT SAA Services (Pvt) Ltd	Associated Company
	6,194	3,799	3,799	-	BAT SAA Services (Pvt) Ltd	Associated Company
	19,178	12,274	12,274	-	BAT SAA Services (Pvt) Ltd	Associated Company
	8,980	6,106	6,106	-	BAT SAA Services (Pvt) Ltd	Associated Company
	8,980	6,106	6,106	-	BAT SAA Services (Pvt) Ltd	Associated Company

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Cost	Book value	Sale proceeds less selling expenses	Gain/(loss) on sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
<b>- by auction</b>						
-as per Company's policy	3,107	621	5,170	4,549	Through bidding in auction	Auction agent
	3,132	625	4,540	3,915	Through bidding in auction	Auction agent
	3,132	625	4,650	4,025	Through bidding in auction	Auction agent
	3,240	648	4,370	3,722	Through bidding in auction	Auction agent
	3,240	648	4,570	3,922	Through bidding in auction	Auction agent
	3,240	648	4,370	3,722	Through bidding in auction	Auction agent
	3,444	689	5,160	4,471	Through bidding in auction	Auction agent
	3,444	689	5,600	4,911	Through bidding in auction	Auction agent
	3,907	781	5,400	4,619	Through bidding in auction	Auction agent
	4,592	918	6,800	5,882	Through bidding in auction	Auction agent
	4,592	918	6,700	5,782	Through bidding in auction	Auction agent
	4,592	918	6,600	5,682	Through bidding in auction	Auction agent
	4,592	918	6,600	5,682	Through bidding in auction	Auction agent
	4,592	918	6,700	5,782	Through bidding in auction	Auction agent
	4,592	918	6,850	5,932	Through bidding in auction	Auction agent
	5,098	1,020	6,750	5,730	Through bidding in auction	Auction agent
	5,272	1,054	8,720	7,666	Through bidding in auction	Auction agent
	5,272	1,054	8,250	7,196	Through bidding in auction	Auction agent
	5,272	1,054	8,120	7,066	Through bidding in auction	Auction agent
	5,272	1,054	8,500	7,446	Through bidding in auction	Auction agent
	5,272	1,054	7,910	6,856	Through bidding in auction	Auction agent
	5,272	1,054	8,630	7,576	Through bidding in auction	Auction agent
	5,272	1,054	8,850	7,796	Through bidding in auction	Auction agent
	5,272	1,054	8,570	7,516	Through bidding in auction	Auction agent
	5,272	1,054	8,280	7,226	Through bidding in auction	Auction agent
	5,272	1,054	8,450	7,396	Through bidding in auction	Auction agent
	5,272	1,054	8,250	7,196	Through bidding in auction	Auction agent
	5,272	1,054	8,410	7,356	Through bidding in auction	Auction agent
	5,272	1,054	8,060	7,006	Through bidding in auction	Auction agent
	5,272	1,054	8,730	7,676	Through bidding in auction	Auction agent
	5,272	1,054	8,200	7,146	Through bidding in auction	Auction agent
	5,272	1,054	8,000	6,946	Through bidding in auction	Auction agent
	5,272	1,054	8,410	7,356	Through bidding in auction	Auction agent
	5,272	1,054	8,540	7,486	Through bidding in auction	Auction agent
	5,272	1,054	7,705	6,651	Through bidding in auction	Auction agent
	5,272	1,054	8,200	7,146	Through bidding in auction	Auction agent
	5,272	1,054	8,500	7,446	Through bidding in auction	Auction agent
	5,272	1,054	8,300	7,246	Through bidding in auction	Auction agent
	5,272	1,054	8,270	7,216	Through bidding in auction	Auction agent
	5,324	1,065	6,800	5,735	Through bidding in auction	Auction agent
	5,324	1,065	8,200	7,135	Through bidding in auction	Auction agent
	5,338	1,068	7,250	6,182	Through bidding in auction	Auction agent
	5,343	3,348	4,870	1,522	Through bidding in auction	Auction agent
	5,604	1,121	9,090	7,969	Through bidding in auction	Auction agent
	6,089	1,218	8,900	7,682	Through bidding in auction	Auction agent
	6,974	5,951	7,360	1,409	Through bidding in auction	Auction agent
	7,204	4,995	5,250	255	Through bidding in auction	Auction agent
	8,641	5,991	7,690	1,699	Through bidding in auction	Auction agent
	19,178	13,297	16,300	3,003	Through bidding in auction	Auction agent
	19,545	3,909	21,300	17,391	Through bidding in auction	Auction agent
<b>- by insurance claim</b>						
-as per Company's policy	3,663	928	5,210	4,282	EFU General Insurance Ltd.	Insurance agent
	3,733	1,394	5,800	4,406	EFU General Insurance Ltd.	Insurance agent

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 20 Long term investment in subsidiary company

This represents 500,001 (2024: 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 (2024: Rs. 10 per share) based on financial statements for the year ended December 31, 2025.

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

	2025 Rs. '000	2024 Rs. '000
<b>21 Long term deposits</b>		
Security deposits	44,114	27,895
<b>22 Stock-in-trade</b>		
Raw materials	50,011,896	46,621,597
Raw materials in transit	920,118	813,547
Work in progress	286,233	256,704
Finished goods	3,061,278	1,718,694
	54,279,525	49,410,542
Provision for damaged / obsolete stock – note 22.1	(441,958)	(568,551)
	53,837,567	48,841,991
<b>22.1</b> Movement in provision for damaged stocks is as follows:		
Balance at 01 January	568,551	141,936
Provision for the year	113,691	638,128
Written off / reversal during the year	(240,284)	(211,513)
Balance at 31 December	441,958	568,551
<b>23 Stores and spares</b>		
Stores and spares	829,633	789,514
Provision for slow moving items – note 23.1	(156,285)	(184,339)
	673,348	605,175
<b>23.1</b> Movement in provision for slowing moving items is as follows:		
Balance at 01 January	184,339	79,964
(Reversal) / Provision during the year – note 10	(28,054)	104,375
Balance at 31 December	(156,285)	184,339

### 24 Trade debts

These represent amounts receivable from Government entities of Rs. 2,650 thousand (2024: Rs. 3,364 thousand).

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>25 Loans and advances</b>		
Related parties:		
Advances to key management personnel for house rent and expenses – note 25.1	2,547	224
Others:		
Advances to executives for house rent and expenses	45,173	31,729
Advance to Creditors	530,312	634,360
Advances to other parties	33,115	241,676
	611,147	907,989
<b>25.1</b> The following advances were outstanding as at December 31:		
Uzair Qazi	247	224
Mir Faraz	2,300	–
	2,547	224

The maximum aggregate amount of advances to key management personnel outstanding at the end of any month during the year was Rs. 2,547 thousand (2024: Rs. 2,872 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.

	2025 Rs. '000	2024 Rs. '000
<b>26 Other receivables</b>		
Related parties – unsecured:		
Due from associated companies – note 26.2	5,712,561	3,614,648
Due from subsidiary company – note 26.2	20,021	20,021
Workers' profit participation fund – note 26.1	636,628	243,567
Staff pension fund – defined contribution	361	566
Management provident fund	–	424
Employees' provident fund	–	169
Others:		
Claims against suppliers	6,576	6,576
Cash margin with banks – imports	1,076,369	343,301
Others	97,677	69,663
	7,550,193	4,298,935
<b>26.1</b> Movement in Workers' Profit Participation Fund is as follows:		
Balance at 01 January	243,567	(1,232,556)
Allocation for the year	(2,747,617)	(2,450,579)
Interest expense on WPPF	(8,411)	(32,831)
Payments during the year	3,149,089	3,959,533
Balance at 31 December	636,628	243,567

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 26.2 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	2025 Rs. '000	2024 Rs. '000
<b>Holding company:</b>					
BAT (Investments) Ltd – UK	89,996	–	23,668	113,664	39,672
<b>Associated companies:</b>					
BAT M.E DMCC – UAE	–	435,275	2,956,600	3,391,875	2,767,324
BAT (GLP) Limited – UK	–	24,660	1,213,604	1,238,264	131,171
BAT Nigeria Ltd – Nigeria	–	85,470	244,930	330,400	202,777
BASS GSD Ltd. – UK	205,497	–	–	205,497	–
Nicoventures Trading Limited – UK	55,629	49,875	41,970	147,474	39,905
BAT Exports Limited – UK	8,917	68,018	15,165	92,100	14,463
BAT Saudia for Trading – Saudi Arabia	–	17,510	65,435	82,945	61,314
BAT Arabia for Trading – Saudi Arabia	–	820	45,279	46,099	33,396
BAT M.E Trading – UAE	–	13,221	–	13,221	18,173
BAT Kazakhstan Ltd. – Kazakhstan	10,804	–	–	10,804	–
BAT International DMCC. – U.A.E	8,377	–	–	8,377	–
RHQ BAT Middle East, – Saudi Arabia	7,834	–	–	7,834	–
BAT (Singapore) Pte Ltd – Singapore	7,793	–	–	7,793	–
BAT (Holdings) Limited – UK	6,042	–	–	6,042	–
Ceylon Tobacco Co. Ltd – SriLanka	–	–	4,873	4,873	4,555
RAI Services Co. – USA	2,445	–	–	2,445	–
BAT Bangladesh Co. Limited – Bangladesh	–	–	1,148	1,148	1,141
BAT Jordan Ltd – Jordan	791	–	–	791	–
BAT Kenya – Kenya	–	–	424	424	–
BAT South Pty Limited – Australia	381	–	–	381	–
JSC JV UZBAT A.O – Uzbekistan	–	110	–	110	–
BAT SAA Service (Private) Ltd. – Pakistan	–	–	–	–	259,998
BAT Japan Limited – Japan	–	–	–	–	28,308
BAT South Africa S.A – South Africa	–	–	–	–	10,458
Fielder & Lundgren AB – Sweden	–	–	–	–	1,993
	404,506	694,959	4,613,096	5,712,561	3,614,648
<b>Subsidiary company:</b>					
Phoenix (Pvt) Limited	–	–	20,021	20,021	20,021
Total	404,506	694,959	4,633,117	5,732,582	3,634,669

**26.2.1** The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs. 5,732,582 thousand (2024: Rs. 3,634,669 thousand).

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>27 Cash and cash equivalents</b>		
Deposit account – note 27.1	3,988	3,834
Current accounts:		
Local currency	505,027	10,049,173
Foreign currency	4,593,626	3,249,747
Short term running finance	(3,407,773)	–
Cash and cash equivalents	1,694,868	13,302,754
<b>27.1</b> These are security deposits being kept in separate bank account.		
<b>28 Trade and other payables</b>		
Related parties – unsecured:		
Due to holding company / associated companies – note 28.2	873,657	1,152,679
Management provident fund	5,617	–
Employees' provident fund	4,176	–
Others:		
Creditors and accrued liabilities	18,619,126	13,044,942
Federal excise duty – note 28.4	6,894,513	6,468,635
Sales tax	1,886,517	4,159,117
Workers' welfare fund – note 28.8	1,161,637	1,104,906
Other accrued liabilities	500,691	527,637
Employee incentive schemes – note 28.6	239,181	114,333
Tobacco excise duty / tobacco development cess – note 28.5	448,689	409,572
Security deposits – note 28.7	3,834	3,834
Contract liabilities – note 28.1 & note 28.3	1,565,691	1,910,113
	32,203,329	28,895,768

**28.1** Contract liabilities amounting to Rs. 1,460,808 thousand (2024: Rs. 1,802,891 thousand) relates to unsecured export advances received from related parties.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>28.2</b> The amount due to holding company / associated companies comprises:		
Holding company:		
BAT (Investments) Ltd – UK	102,970	67,077
Associated companies:		
BAT M.E DMCC – UAE	63,904	148,145
BAT Exports Limited – UK	212,164	204,049
BASS GSD Ltd. – UK	104,937	10,804
PT Bentoel Prima – Indonesia	104,878	728
BAT Holdings Ltd., UK	25,451	67,588
BAT Souza Cruz S.A – Brazil	67,660	58,691
BAT Kuwait for Wholesale – Kuwait	–	6,517
BAT Nicoventures Trading Ltd – UK	53,065	39,482
BAT Korea Manufacturing – South Korea	48,999	32,680
BAT Saudia for Trading, Saudi Arabia	13,723	12,703
BAT Australia Ltd – Australia	23,834	21,999
BAT Singapore (Pte) Ltd – Singapore	19,918	27,660
BAT Aspac Service Centre BHD Sdn – Malaysia	17,366	9,053
BAT Bangladesh Co. Limited – Bangladesh	7,343	19,301
BAT GSD (KL) SDN BHD – Malaysia	4,867	4,479
BAT Tutun Mamulleri – Turkey	1,815	1,681
BAT GLP Ltd – UK	–	370,199
BAT Romania Investments Ltd – Romania	623	559
Tabacalera Hondurena S.A – Honduras	140	139
BAT Asia Pacific Ltd – HongKong	–	49,145
	873,657	1,152,679
<b>28.3</b> The amount related to unsecured export advances.		
BAT (GLP) Ltd., U.K	1,719	–
BAT Saudia for Trading, Saudia	23,290	63,161
BAT Exports Limited, U.K	466,830	600,868
BAT ME DMCC., UAE	782,492	657,307
BAT M.E for Trading, U.A.E	50,224	–
BAT M.E S.P.C., Bahrain	30,793	34,770
BAT Gulf for Trading LLC., Qatar	15,478	35,151
BAT Jordan Limited, Jordan	16,648	62,364
BAT Kuwait Whole Sale, Kuwait	65,460	84,008
BAT Kenya Tobacco, Kenya	7,874	–
BAT Nicoventures Trading Ltd – UK	–	265,262
	1,460,808	1,802,891

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>28.4 Federal excise duty</b>		
Balance at 01 January	6,468,635	4,357,304
Charged during the year	177,963,705	179,481,016
Payment to the Government during the year	(177,537,827)	(177,369,685)
Balance at 31 December	6,894,513	6,468,635
<b>28.5 Tobacco excise duty / tobacco development cess:</b>		
Balance at 01 January	409,572	141,731
Charge for the year	1,411,490	934,424
Payment during the year	(1,372,373)	(666,583)
Balance at 31 December	448,689	409,572

### 28.6 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.

	2025 Rs. '000	2024 Rs. '000
<b>Restricted Share Plan (RSP) – note 28.6.1</b>		
Balance at 01 January	43,381	26,704
Charge for the year	113,184	32,499
Share options exercised	(10,315)	(15,822)
Balance at 31 December	146,250	43,381
<b>Deferred Share Bonus Scheme (DSBS) – note 28.6.2</b>		
Balance at 01 January	70,952	64,143
Charge for the year	74,975	49,055
Share options exercised	(52,996)	(42,246)
Balance at 31 December	92,931	70,952
	239,181	114,333

#### 28.6.1 Restricted Share Plan (RSP)

Details of the options movement for cash-settled RSP scheme during the year were as follows:

	2025 Rs. '000	2024 Rs. '000
	<b>Number of options</b>	
	Number of options	
Outstanding at 01 January	9,659	5,115
Granted during the year	7,937	6,429
Exercised during the year	(1,537)	(1,885)
Outstanding at 31 December	16,059	9,659

There are no exercisable options at 31 December 2025.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 28.6.2 Deferred Share Bonus Scheme (DSBS)

Details of the options movement for cash-settled DSBS scheme during the year were as follows:

	2025	2024
	Number of options	
Outstanding at 01 January	11,673	13,916
Granted during the year	1,967	2,790
Exercised during the year	(4,718)	(5,033)
Outstanding at 31 December	8,922	11,673

There are no exercisable options at 31 December 2025.

**28.7** 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.

	2025	2024
	Rs. '000	
<b>28.8</b> Movement in Workers' Welfare Fund is as follows:		
Balance at 01 January	1,104,906	1,103,156
Charged during the year	1,161,637	1,104,906
Prior year WWF reversal	(10,208)	(181,974)
Payment during the year	(1,094,698)	(921,182)
Balance at 31 December	1,161,637	1,104,906

### 29 Other liabilities

This relates to provision for employee benefits and litigation. During the year, the Company has utilized amounts aggregating to Rs. 1,036 million (2024: Rs. 612 million) for the payment of employee benefits.

This also includes Rs. 2,018 million (2024: Rs. 544 million) recognized in connection with restructuring initiatives undertaken as part of the Company's strategic transformation programs. During the year, the Company recorded a net increase of Rs. 1,474 million (2024: Rs. 544 million)."

### 30 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. 17,000 million (2024: Rs. 18,000 million), out of which the amount unavailed at the year end was Rs. 13,592 million (2024: Rs. 18,000 million). These facilities are secured by hypothecation of stock in trade and plant and machinery amounting to Rs. 20,002 million (2024: Rs. 20,002 million). The mark-up ranges between 11.27% and 13.45% (2024: 13.40% and 22.54%) per annum and is payable quarterly. The facilities are renewable on annual basis.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### (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. 21,900 million (2024: Rs. 22,500 million) and Rs. 5,000 million (2024: 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. 3,686 million (2024: Rs. 5,240 million) and Rs. 1,343 million (2024: Rs. 1,230 million). The letter of credit and guarantee facility is secured by ranking hypothecation charge over stock-in-trade amounting to Rs. 1,833 million (2024: Rs. 1,833 million).

### 31 Lease liabilities

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. 4,391,589 thousand – short term Rs. 569,898 thousand and long term Rs. 3,821,691 thousand (December 31, 2024: Rs. 3,881,394 thousand – short term Rs. 719,693 thousand and long term Rs. 3,161,701 thousand) and are payable in equal monthly instalments latest by December 2030. Taxes, repairs, replacement and insurance costs are to be borne by the Company. Financing rates of 11% to 23% (December 31, 2024: 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. 499,950 thousand (2024: Rs. 925,030 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:

	2025 Rs. '000	2024 Rs. '000
Present value of minimum lease payments	4,391,589	3,881,394
Current maturity shown under current liabilities	(569,898)	(719,693)
	3,821,691	3,161,701
Future minimum lease payments		
Not later than one year	865,643	1,069,671
Later than one year	7,724,524	7,214,473
Interest	8,590,167 (4,198,578)	8,284,144 (4,402,750)
Present value of minimum lease payments	4,391,589	3,881,394
Present value of minimum lease payments		
Not later than one year	569,898	719,693
Later than one year	3,821,691	3,161,701
	4,391,589	3,881,394

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>32 Deferred income tax liabilities</b>		
Deferred tax liability is in respect of:		
Accelerated tax depreciation	3,164,202	2,900,694
Leased assets	189,789	226,667
	3,353,991	3,127,361
Deferred tax asset is in respect of:		
Remeasurement loss arising on employees' retirement benefit	(145,052)	(227,885)
Provisions	(1,535,250)	(408,607)
	1,673,689	2,490,869
The gross movement on deferred income tax account is as follows:		
At 01 January	2,490,869	2,095,119
(Credit) / charge for the year – statement of profit or loss – note 17	(900,012)	237,647
Charge for the year – statement of comprehensive income	82,832	158,103
At 31 December	1,673,689	2,490,869

### 33 Employees' 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.

	2025 Rs. '000	2024 Rs. '000
Staff pension fund	(488,211)	(472,426)
Employees' gratuity fund	(95,001)	264,892
Balance at 31 December	(583,212)	(207,534)

The latest actuarial valuation of the defined benefit plans was conducted at 31 December 2025 using the projected unit credit method. Details of the defined benefit plans are:

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(a) The amounts recognised in the statement of financial position:</b>				
Present value of defined benefit obligations	10,208,366	8,896,358	2,704,756	2,411,728
Fair value of plan assets	(10,696,577)	(9,368,784)	(2,799,757)	(2,146,836)
Net (asset) / liability	(488,211)	(472,426)	(95,001)	264,892

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(b) Movement in the (asset) / liability recognized in the statement of financial position is as follows:</b>				
Balance at 01 January	(472,426)	100,284	264,892	263,159
(Credit) / charge for the year – profit or loss	(13,650)	45,194	203,641	134,571
Employer's contribution during the year	162,882	(168,245)	(516,160)	(177,105)
Benefits paid by the Company	–	–	–	–
Remeasurement (gain) / loss recognized in Other Comprehensive Income (OCI) during the year	(165,017)	(449,659)	(47,374)	44,267
Balance at 31 December	(488,211)	(472,426)	(95,001)	264,892
<b>(c) The amounts recognised in the statement of profit or loss:</b>				
Current service cost	56,112	41,774	206,941	122,317
Interest cost	1,103,439	1,124,316	303,750	307,646
Expected return on plan assets	(1,160,961)	(1,109,418)	(273,428)	(268,941)
Net interest	(57,522)	14,898	30,322	38,705
Members' own contribution	(12,240)	(11,478)	–	–
Secondees' own contribution	(18,901)	(15,508)	–	–
Past service cost	–	–	–	–
Contribution by employer in respect of secondees	18,901	15,508	(33,622)	(26,451)
	(13,650)	45,194	203,641	134,571
<b>(d) Re-measurements recognised in Other Comprehensive Income (OCI) during the year:</b>				
Actuarial loss on obligation	633,956	869,320	150,005	183,756
Net return on plan assets over interest income	(798,973)	(1,318,979)	(197,379)	(139,489)
Total remeasurements (gain) / loss recognised in OCI	(165,017)	(449,659)	(47,374)	44,267
<b>(e) Movement in the present value of defined benefit obligation:</b>				
Present value of defined benefit obligation at 01 January	8,896,358	7,244,549	2,411,729	1,936,282
Current service cost	56,112	41,774	206,941	122,317
Interest cost	1,103,439	1,124,316	303,750	307,646
Actual benefits paid during the year	(481,499)	(383,601)	(367,668)	(138,273)
Remeasurements: Actuarial loss on obligation	633,956	869,320	150,005	183,756
Present value of defined benefit obligation at 31 December	10,208,366	8,896,358	2,704,757	2,411,728

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(f) Movement in the fair value of plan assets:</b>				
Fair value of plan assets at 01 January	9,368,784	7,144,265	2,146,836	1,673,122
Interest income	1,160,961	1,109,418	273,428	268,941
Contribution by employer in respect of members	(162,882)	168,245	516,160	177,106
Members' own contribution	12,240	11,478	–	–
Secondees' own contribution	18,901	15,508	–	–
Contribution by employer in respect of secondees	(18,901)	(15,508)	33,622	26,451
Actual benefits paid during the year	(481,499)	(383,601)	(367,668)	(138,273)
Return on plan assets, excluding amounts included in interest income	798,973	1,318,979	197,379	139,489
Fair value of plan assets at 31 December	10,696,577	9,368,784	2,799,757	2,146,836
Actual return on plan assets	1,950,302	2,220,574	531,019	535,549

The Company expects to credit Rs 10 million for pension plan and charge Rs 142 million for gratuity plan for the year ending December 31, 2026.

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(g) The major categories of plan assets:</b>				
Investment in listed equities	2,878,574	2,466,812	792,025	614,980
Investment in bonds	7,559,935	6,665,325	1,926,330	1,505,158
Cash and other assets	258,068	236,647	81,402	26,698
	10,696,577	9,368,784	2,799,757	2,146,836
<b>(h) Significant actuarial assumptions at the statement of financial position date:</b>				
Discount rate	11.75%	12.75%	11.75%	12.75%
Pension increase rate	7.75%	8.25%	–	–
Expected rate of increase in salary				
First year	10.75%	10.75%	10.75%	10.75%
Second year onwards	10.75%	10.75%	10.75%	10.75%

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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	
	1 percent increase Rs. '000	1 percent decrease Rs. '000	1 percent increase Rs. '000	1 percent decrease Rs. '000
Discount rate	(1,164,925)	1,440,510	(206,055)	235,759
Salary increase	77,644	(72,371)	242,375	(215,216)
Increase in post retirement pension	1,390,542	(1,139,680)	-	-

If life expectancy increases by 1 year, the obligation of the pension fund increases by Rs 580,475 thousand (2024: 539,990 thousand).

### Expected maturity profile

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

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Weighted average duration of the PBO (Years)	11.41	11.09	12.31	7.77

### 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, 2025

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	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
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>2025</b>	10,208,366	(488,211)	2,704,757	(95,001)
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

**33.1** Salaries, wages and benefits as appearing in note 10, 11 and 12 include amounts in respect of the following:

	2025 Rs. '000	2024 Rs. '000
Defined contribution provident fund	164,835	136,658
Defined benefit pension fund	(13,650)	45,194
Defined contribution pension fund	306,528	243,877
Defined benefit gratuity fund	203,641	134,571
	661,354	560,300

### 33.2 Defined contribution plan

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

	Un-audited	Un-audited
<b>(a) Size of the fund – total assets</b>	2,624,154	2,078,911
Cost of investments made	2,009,982	1,748,026
Percentage of investments made	77%	84%
Fair value of investments made	2,446,899	2,024,068

	2025		2024	
	Rs. '000	% age	Rs. '000	% age
<b>(b) Breakup of investments at cost</b>				
Treasury bills	607,285	23.14	387,936	18.66
Pakistan investment bonds	448,661	17.10	462,879	22.27
Investment plus deposit certificates	319,250	12.17	319,250	15.36
Investment in savings account with bank	46,173	1.76	67,603	3.25
Investment in securities	217,293	8.28	207,141	9.96
Accrued interest	371,320	14.15	303,217	14.59
	2,009,982	76.60	1,748,026	84.08

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 34 Share capital

#### 34.1 Authorized share capital

	2025	2024		2025	2024
	Number of shares			Rs. '000	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

	2025	2024		2025	2024
	Number of shares			Rs. '000	Rs. '000
	230,357,068	230,357,068	Issued for cash	2,303,571	2,303,571
	25,136,724	25,136,724	Issued as 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 (2024: 241,045,141) ordinary shares at the year-end and 10,274 (2024:10,274) and 798,282 (2024:798,282) 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

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:

	2025	2024
	Rs. '000	Rs. '000
Balance at 01 January	8,923,501	4,042,204
Liabilities rescinded		
– Royalty	–	856,228
– Information Technology related services received and exempted recharged	3,013,694	4,025,069
Balance at 31 December	11,937,195	8,923,501

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>36 Contingencies and commitments</b>		
<b>36.1 Contingencies</b>		
<b>Claims and guarantees</b>		
(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	1,343,000	1,229,900
(iii) Post dated cheque 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, 2025 were Rs. 3,686,248 thousand (2024: Rs. 5,239,845 thousand).

## 37 Financial instruments – Fair values and risk management

### 37.1 Accounting classification and fair value

The following table shows 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Note	December 31, 2025			Fair value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		Rs. '000			Rs. '000		
<b>Financial assets measured at fair value</b>							
Long term deposits	21	44,114	-	44,114	-	-	44,114
<b>Financial assets not measured at fair value</b>							
Trade debts	24	-	2,650	2,650	-	-	-
Other receivables	26	-	5,306,523	5,306,523	-	-	-
Cash and bank balances	27	-	1,694,868	1,694,868	-	-	-
		44,114	7,004,041	7,048,155	-	-	44,114
<b>Financial liabilities measured at fair value</b>							
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	28	-	(19,997,308)	(19,997,308)	-	-	-
Other liabilities	29	-	(4,764,532)	(4,764,532)	-	-	-
Lease liabilities	31	-	(4,391,589)	(4,391,589)	-	-	-
Unpaid dividend		-	(164,725)	(164,725)	-	-	-
Unclaimed dividend		-	(178,355)	(178,355)	-	-	-
		-	(29,496,509)	(29,496,509)	-	-	-
<b>December 31, 2024</b>							
	Note	December 31, 2024			Fair value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		Rs. '000			Rs. '000		
<b>Financial assets measured at fair value</b>							
Long term deposits	21	27,895	-	27,895	-	-	27,895
<b>Financial assets not measured at fair value</b>							
Trade debts	24	-	3,364	3,364	-	-	-
Other receivables	26	-	3,077,141	3,077,141	-	-	-
Cash and bank balances	27	-	13,302,754	13,302,754	-	-	-
		27,895	16,383,259	16,411,154	-	-	27,895
<b>Financial liabilities measured at fair value</b>							
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	28	-	(14,729,092)	(14,729,092)	-	-	-
Other liabilities	29	-	(2,741,079)	(2,741,079)	-	-	-
Lease liabilities	31	-	(3,881,394)	(3,881,394)	-	-	-
Unpaid dividend		-	(142,980)	(142,980)	-	-	-
Unclaimed dividend		-	(133,968)	(133,968)	-	-	-
		-	(21,628,513)	(21,628,513)	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 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. 7,048 million (2024: Rs. 16,411 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 agency	2025 Rs. '000	2024 Rs. '000
	Short term	Long term			
Cash at bank:					
Standard Chartered Bank	A-1+	AAA	PACRA	2,929,253	4,164,155
MCB Bank Ltd	A-1+	AAA	PACRA	1,648,325	4,065,485
Deutsche Bank AG	A-1	A	S&P	217,427	2,181,632
Habib Bank Ltd	A-1+	AAA	VIS	3,676	1,644,829
MCB Islamic Bank	A-1	A+	PACRA	300,897	322,194
Habib Metropolitan Bank Ltd	A-1+	AA+	PACRA	168	259,806
Bank Alfalah Limited	A-1+	AAA	PACRA	284	253,070
Soneri Bank Limited	A-1+	AA-	PACRA	1,190	206,001
United Bank Limited	A-1+	AAA	VIS	510	200,453
Citibank N.A.	P-1	Aa3	Moody's	454	3,500
National Bank of Pakistan	A1+	AAA	PACRA	457	1,629
				5,102,641	13,302,754

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

At 31 December maximum exposure to credit risk for financial assets by geographic was as follows:

	Carrying amount	
	2025 Rs. '000	2024 Rs. '000
Pakistan	1,789,778	13,056,504
United Kingdom	1,348,857	225,211
Asia & other	3,909,520	3,129,439
	7,048,155	16,411,154

At 31 December the ageing of financial assets was as follows:

	Carrying amount	
	2025 Rs. '000	2024 Rs. '000
Not due	1,769,757	12,776,485
1-30 days	404,506	2,770,217
31-90 days	694,959	18,868
90 days	4,178,933	845,584
	7,048,155	16,411,154

### 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 Rs. '000	Contractual cash flows		
		Total Rs. '000	12 months or less Rs. '000	1 to 5 years Rs. '000
<b>31 December 2025</b>				
<b>Financial liabilities</b>				
Trade and other payables	19,997,308	(19,997,308)	(19,997,308)	–
Other liabilities	4,764,532	(4,764,532)	(4,764,532)	–
Lease liabilities	4,391,589	(4,391,589)	(569,898)	(3,821,691)
Unpaid dividend	164,725	(164,725)	(164,725)	–
Unclaimed dividend	178,355	(178,355)	(178,355)	–
	29,496,509	(29,496,509)	(25,674,818)	(3,821,691)

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Carrying amount Rs. '000	Contractual cash flows		
		Total	12 months or less	1 to 5 years
		Rs. '000	Rs. '000	Rs. '000
<b>31 December 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	14,729,092	(14,729,092)	(14,729,092)	–
Other liabilities	2,741,079	(2,741,079)	(2,741,079)	–
Lease liabilities	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)	–
	21,628,513	(21,628,513)	(18,466,812)	(3,161,701)

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

### 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:

	December 31, 2025			December 31, 2024		
	Euro	Sterling	US dollars	Euro	Sterling	US dollars
Other receivables	79,868	11,291,198	–	69,599	8,114,569	–
Cash and bank balances	–	–	16,404,344	–	–	11,673,990
Trade and other payables	(883,471)	(1,156,364)	(7,168,079)	(3,443,448)	(2,003,747)	(19,067,300)
Net exposure	(803,603)	10,134,834	9,236,265	(3,373,849)	6,110,822	(7,393,310)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
Euro 1	317.97	301.45	328.88	288.26
Sterling 1	370.92	356.10	376.65	348.64
US dollar 1	281.15	278.60	280.03	278.38

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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Profit or loss		Equity, net of tax	
	Strengthening Rs. '000	Weakening Rs. '000	Strengthening Rs. '000	Weakening Rs. '000
<b>31 December 2025</b>				
Euro	26,429	(26,429)	18,764	(18,764)
Sterling	(381,726)	381,726	(271,026)	271,026
US dollar	(258,638)	258,638	(183,633)	183,633
<b>31 December 2024</b>				
Euro	97,254	(97,254)	69,050	(69,050)
Sterling	(213,046)	213,046	(151,262)	151,262
US dollar	205,811	(205,811)	146,126	(146,126)

### 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. 4,391,589 thousand (2024: Rs. 3,881,394 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. 43.916 million (2024: Rs. 38.814 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			
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Managerial remuneration	126,193	174,383	109,992	52,717	237,981	272,781	1,831,297	1,328,275	2,305,463	1,828,156
Corporate bonus	77,121	54,245	131,941	60,693	196,262	158,637	620,327	462,603	1,025,651	736,178
Leave fare assistance	3,034	2,908	7,953	5,576	19,945	27,973	-	-	30,932	36,457
Housing and utilities	36,223	33,727	31,479	22,002	77,275	78,508	743,149	555,809	888,126	690,046
Medical expenses	-	-	5,675	3,200	11,023	8,948	150,415	102,331	167,113	114,479
Post employment benefits	3,560	3,486	20,381	16,004	51,428	47,398	486,204	397,089	561,573	463,977
	246,131	268,749	307,421	160,192	593,914	594,245	3,831,392	2,846,107	4,978,858	3,869,293
Number of persons	1	1	2	2	10	12	534	424	547	439

**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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**38.2** The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to nine (2024: nine) non-executive directors of the Company amounted to Rs. 34,280 thousand (2024: Rs. 15,319 thousand).

### 39 Transactions with related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (2024: 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 26 and 28 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.

	2025 Rs. '000	2024 Rs. '000
Procurement of goods and services from:		
Holding company	–	61,235
Associated companies	1,133,409	204,896
Sale of goods to:		
Holding company	–	3,323
Associated companies	6,692,660	7,400,335
Dividend declared:		
Holding company	36,158,271	30,131,893
Associated company	119,742	99,785
Royalty charged by:		
Associated company	–	(856,228)
Expenses reimbursed to:		
Holding company	27,017	6,495
Associated companies	443,467	(6,624)
Expenses reimbursed by:		
Holding company	130,487	82,631
Associated companies	1,786,934	493,480
Payment under employee incentive schemes:		
Key management personnel	63,311	58,068
Expenses waived off during the year		
Associated company	3,013,694	4,881,297

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**39.1** Following are the name 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	Aggregate % of Basis of relationship	shareholding
Pheonix (Private) Limited	Subsidiary	Nil
Retirement benefit funds:		
Pension Funds	Post employment benefits	Nil
Provident Funds	Post employment benefits	Nil
Gratuity Funds	Post employment benefits	Nil
Nasir Mahmood Khan Khosa	Director	0.000196%
Syed Ali Akbar	Director	0.000978%
Ahad Khan	Director	0.000978%
Syed Asad Ali Shah	Director	0.000196%
Wael Sabra	Director	0.000196%
Usman Zahur	Director	0.000196%
Asif Jooma	Director	0.000196%
M.Sualeh Ahmed Faruqui	Director	0.000196%
Lt. Gen (Rtd.) Najib Ullah Khan	Director	0.000196%
Faisal Saif	Director	0.000196%
Gary Tarrant	Director	0.000196%
Mona Iskandarani	Director	0.000196%
Sami Zaman	Key management personnel	Nil
Uzair Qazi	Key management personnel	Nil
Faiza Imtiaz	Key management personnel	Nil
Peter Lahoud	Key management personnel	Nil
Shabab Ali	Key management personnel	Nil
Bushra Rahman	Key management personnel	Nil
Muhammad Ali	Key management personnel	Nil
Mustafa Sherdil	Key management personnel	Nil
Imad Ud-din Muhammad	Key management personnel	Nil

**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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 (Parent)	94.34%	United Kingdom
BAT Rothmans International	Fellow Subsidiary	0.31%	United Kingdom
BAT Exports Limited	Fellow Subsidiary	0.00%	United Kingdom
Ceylon Tobacco Company PLC	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 South Pty Ltd	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%	Switzerland
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 Kenya Tobacco Company 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
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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

Associated company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
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%	USA
British American Tobacco South Africa (Pty) Ltd.	Fellow Subsidiary	0.00%	South Africa
British American Tobacco ME DMCC	Fellow Subsidiary	0.00%	U.A.E
BAT Middle East for Trading	Fellow Subsidiary	0.00%	U.A.E
BAT International DMCC	Fellow Subsidiary	0.00%	U.A.E
BAT Saudia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
BAT Arabia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
RHQ BAT Middle East	Fellow Subsidiary	0.00%	Saudi Arabia
BAT GCC DMCC	Fellow Subsidiary	0.00%	U.A.E
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
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%	USA
Solomon Islands Tobacco Co. Ltd.	Fellow Subsidiary	0.00%	Solomon Islands
BAT Trieste S.p.A.	Fellow Subsidiary	0.00%	Italy
BAT Kuwait for Whole sale and Retail	Fellow Subsidiary	0.00%	Kuwait
JSC JV Uzbek A.O	Fellow Subsidiary	0.00%	Uzbekistan
BAT Kazakhstan Ltd.	Fellow Subsidiary	0.00%	Kazakhstan
British American Tobacco (Cambodia)	Fellow Subsidiary	0.00%	Cambodia

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 40 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 Rs. '000	Effect of reclassification Rs. '000	As restated Rs. '000
<b>December 31, 2025</b>			
<b>Statement of Financial Position</b>			
<b>Non current assets</b>			
Employees' retirement benefits	–	472,426	472,426
<b>Current Assets</b>			
Other receivables	4,771,361	(472,426)	4,298,935
Loans and advances	273,629	634,360	907,989
<b>Current Liabilities</b>			
Trade and other payables	28,526,300	369,468	28,895,768
<b>Non Current liabilities</b>			
Employees' retirement benefits	–	264,892	264,892

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.

	2025 Rs. '000	2024 Rs. '000
<b>41 Cash generated from operations</b>		
<b>Profit before taxation</b>	51,115,623	49,499,561
<b>Adjustment for non-cash items:</b>		
– Depreciation / impairment	2,884,895	2,245,033
– Gain on disposal of property, plant and equipment	(327,537)	(218,074)
– Loss on lease retirement	119,730	–
– Finance cost	821,657	850,989
– Finance income	(1,845,221)	(6,325,660)
– Foreign exchange loss	–	423,549
– Provision for stock-in-trade	(15,646)	742,503
– Provision for staff retirement benefit plans	661,354	560,300
– Information technology cost	3,013,694	2,767,019
	5,312,926	1,045,659

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>Changes in working capital:</b>		
– Stock-in-trade	(4,868,983)	(2,596,305)
– Stores and spares	(40,119)	(78,562)
– Trade debts	227,308	2,684,357
– Loans and advances	296,843	372,790
– Short term prepayments	55,371	(56,683)
– Other receivables	(3,252,057)	(1,205,357)
– Trade and other payables	3,349,788	(8,780,338)
– Other liabilities	2,023,453	651,889
	(2,208,396)	(9,008,209)
Changes in long term deposits	(16,219)	14,500
	54,203,934	41,551,511

#### 42 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Total
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance at January 1, 2025</b>	276,948	3,881,394	–	4,158,342
<b>Changes from financing cash flows:</b>				
Finance Lease payments	–	–	–	–
Additions during the year	–	(1,868,289)	(3,407,773)	(5,276,062)
Dividend paid	(38,257,937)	–	–	(38,257,937)
Total changes from financing cash flows	(38,257,937)	(1,868,289)	(3,407,773)	(43,533,999)
<b>Other changes:</b>				
New leases	–	1,828,055	–	1,828,055
Retirements	–	(152,391)	–	(152,391)
Interest charge	–	702,820	–	702,820
Dividend declared	38,324,068	–	–	38,324,068
Total equity-related other changes	–	–	–	–
<b>Balance at December 31, 2025</b>	343,079	4,391,589	(3,407,773)	1,326,895

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Liabilities			Total
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance at January 1, 2024</b>	8,246,241	3,422,042	-	11,668,283
<b>Changes from financing cash flows:</b>				
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)
<b>Other changes:</b>				
New leases	-	1,686,841	-	1,686,841
Retirements	-	(200,403)	-	(200,403)
Interest charge	-	756,404	-	756,404
Dividend declared	31,936,724	-	-	31,936,724
Total equity-related other changes	-	-	-	-
<b>Balance at December 31, 2024</b>	276,948	3,881,394	-	4,158,342

#### 43 Events after the reporting date

In respect of the year ended 31 December, 2025 final dividend of Rs. Nil (2024: Rs. nil) per share amounting to a total dividend of Rs. Nil (2024: Rs. nil) has been proposed at the Board of Directors meeting held on February 26, 2026. These financial statements do not reflect this proposed dividend.

#### 44 General

##### 44.1 Date of authorization for issue

These financial statements have been authorized for circulation to the shareholders by the Board of Directors of the Company on February 26, 2026.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

PAKISTAN TOBACCO COMPANY LIMITED

**CONSOLIDATED**  
FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

# CHAIRMAN'S REVIEW

## (Consolidated Financial Statements)

### 2025 Performance

Pakistan saw macroeconomic stability, tighter fiscal management, declining inflation, and a gradual return of consumer confidence in 2025. Foreign exchange reserves strengthened, surpassing USD 20 billion by year-end. However, the business environment remained constrained by a lack of fiscal space, owing to greater operating expenses. These included a high corporate taxation regime and energy costs that were relatively higher than the region. Additionally, regional geopolitical developments contributed to an uncertain business outlook and reduced investor confidence.

The tobacco industry in the country continued to face structural challenges driven by illicit trade and evolving consumer dynamics. Illicit trade remained a major issue, accounting for 54% of the market, threatening the sustainability of the legitimate industry and government revenues.

Amid these headwinds, the Government kept the Federal Excise Duty (FED) rates unchanged and maintained adjustable duties on key inputs such as acetate tow and filter rods. In parallel, it also launched an unprecedented enforcement campaign across the value chain to curtail illicit tobacco. This campaign delivered significant positive results, but maintaining momentum is crucial to achieving consistent outcomes and driving a meaningful reduction in illicit trade.

Despite this, PTC delivered a resilient performance, capturing a market share of 80.3% of the legitimate tobacco sector. Strategic portfolio management and a stable FED framework resulted in a gross turnover of PKR 374.7 billion - reflecting a 5.4% increase over last year. Despite cost pressures, profit after tax amounted to PKR 29.86 billion, translating into earnings per share (EPS) of PKR 116.85. Export performance also remained strong, reaching a record PKR 14.4 billion. As the leading contributor to the national exchequer, the Company's tax payments stood at PKR 260.8 billion.

Driven by BAT's global vision of Building a Smokeless World, the Company continued to accelerate its transformation journey. VELO™ posted a remarkable total volume increase of 27%, maintaining strong performance in the modern oral nicotine category.

### Business Sustainability

In alignment with BAT Group's global vision of A Smokeless World, PTC continued advancing tobacco harm reduction (THR) in Pakistan through its strategic shift towards reduced-risk products. A key milestone towards this was the launch of Omni™, a dedicated resource developed by the BAT Group for scientists, public health authorities, regulators, policymakers, and investors. Omni™ outlines progress towards A Smokeless World, demonstrating how science, innovation, and more than a decade of evidence are converging to support this ambition.

VELO™ remained at the forefront of this agenda, providing adult smokers scientifically substantiated alternatives and establishing one of the largest active consumer bases, exceeding half a million consumers. The category is supported by progressive Government policies recognizing reduced-risk products with differentiated excise tax rates.

The Company further strengthened its 'Made in Pakistan' initiative, exporting Velo worth PKR 1.2 billion (USD 4.26 Mn) to multiple international markets. The export footprint continued to grow with shipments to the UAE and Kenya, reinforcing Pakistan's potential as a competitive manufacturing and export hub.

PTC also continued its efforts to combat illicit trade through a structured three pillar strategy. This included public advocacy under the Behtareen Pakistan campaign, multi stakeholder engagements aimed at driving policy improvements, and consistent calls for robust enforcement. Together, these efforts reinforced PTC's commitment to supporting a stable regulatory environment.

Despite unprecedented enforcement efforts by the Government, illicit trade continues to pose a significant threat to the legitimate tobacco sector. For instance, the Track and Trace System (T&TS), introduced to curb tax evasion, remains only partially implemented across the industry, limiting its overall effectiveness and leaving gaps that can be exploited. Strengthened regulatory oversight and consistent enforcement are therefore critical to protect government revenues, ensure a level playing field, and sustain the viability of the formal sector.

Notwithstanding the external challenges, the fundamentals of Pakistan's tobacco and nicotine sector remain strong. The ongoing shift in consumer preferences towards reduced-risk alternatives represents a long term trend for substantial growth opportunities and regulatory stability.

### Environment, Social, and Governance (ESG) Agenda

Sustainability remained a key part of PTC's operations in 2025. PTC made significant progress on its decarbonization roadmap, increasing the share of renewable energy across its manufacturing operations. A major milestone during the year was the installation of the first multi fuel biomass boiler at the Jhelum Factory, delivering a 1,750 TCO<sub>2</sub> reduction in emissions, contributing to a 75% decrease in Scope 1 emissions from our operations.

PTC also expanded its solar footprint by operating one of the largest on site solar installations within the BAT Group, with 5.9 MW of capacity. Since 2021, this initiative has helped decarbonize 5,200 TCO<sub>2</sub>, equivalent to saving approximately 210,000 trees. Water stewardship remained central to our ESG commitments. PTC achieved a over 48% water recycling rate while maintaining AWS

Certifications at both the Akora Khattak and Jhelum factories. Notably, the Jhelum site retained its distinction as the only multi category AWS certified facility within the BAT Group. Waste management performance also remained strong, with the Company maintaining 100% solid waste recycling across operations.

PTC continued to create meaningful community impact through large-scale environmental and social initiatives. Over 5.5 million saplings were planted and distributed as part of our afforestation program, the largest private sector initiative of this kind in Pakistan. Our “Throw and Grow” campaign distributed 300,000 seed balls across the Margalla Hills, with participation from more than 10,000 volunteers.

Our commitment to enhancing access to basic services for the communities we work in remained unwavering. 26 water filtration plants provide clean drinking water to over 8 million people annually across nine districts. Meanwhile, our 12 Mobile Doctor Units delivered free healthcare services, including checkups and medicines, to more than 140,000 patients.

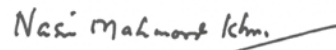
## Corporate Governance

The Company upholds robust corporate governance standards. Through rigorous policies and transparent practices, the Company ensures the protection of Company assets and shareholders’ interests. PTC has established a robust system of internal controls and financial reporting, which are periodically assessed by external auditors (KPMG) to guarantee compliance and reliability.

The Company’s compliance framework is governed by its Standards of Business Conduct (SoBC), which sets out the principles for ethical and responsible operations. These standards are reinforced through mandatory SoBC trainings, conducted annually both online and in person, for all employees and directors of the Company. To support transparency and accountability, secure and confidential channels are available for employees and stakeholders to report concerns or irregularities without fear of reprisal. This reflects the Company’s zero-tolerance approach to non-compliance.

On behalf of the Board, I extend my sincere appreciation to the people and leadership of PTC. Their resilience, passion, and commitment continue to propel the Company forward. PTC remains dedicated to fostering a diverse and dynamic talent pipeline, empowering its people to lead the business through transformation.

With a clear strategy, a strong portfolio, and steadfast governance, PTC is well-positioned to continue delivering sustainable value to its stakeholders while advancing the tobacco harm reduction agenda in Pakistan.



**Nasir Mahmood Khan Khosa**

Chairman

# DIRECTORS' REPORT

## (Consolidated Financial Statements)

**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, 2025.**

### Macroeconomic Environment

Pakistan's economy continued to demonstrate gradual improvement through 2025 despite persistent structural headwinds. The broader macroeconomic environment benefited from measured monetary easing, single digit inflation, stabilized external accounts and shored up central bank reserves all of which led to an improvement in business sentiment and consumer spending patterns. Although core inflation remained persistent due to supply-side constraints, headline inflation stayed within the 5%-7% target range for most of the year.

The Government remains committed to the ongoing IMF EFF Program and reform agenda with economic recovery constrained due to elevated public debt levels, moderate lacklustre export performance and increasing climate and geo-political vulnerability. Additionally, the economy continues to face serious Human Capital issues with continuing brain drain from the Country. Addressing these pressures will require sustained implementation of governance and sector-wise reforms, including timely adjustments to energy tariffs and improved sectoral efficiencies.

Within this broader context, Pakistan continues to face one of the highest overall tax burdens in the region. Elevated corporate income tax rates, coupled with additional levies, place significant pressure on the formal sector. These challenges are compounded by some of the highest utility tariffs in South Asia, which weigh heavily on industrial competitiveness. While the recent 4.5% decline in energy prices is a welcome development, further rationalization of taxes and utilities remains essential to foster a more enabling environment for investment and long term economic growth.

### Industry Overview

#### Fiscal Environment

Pakistan currently operates a two-tier Federal Excise Duty (FED) structure on cigarettes. The substantial 200% increase implemented in FY 2022-2023 fundamentally reshaped the market, driving illicit cigarette trade from 37% to its peak of 54% in 2024 placing considerable strain on compliant manufacturers who continue to meet their full tax and compliance obligations. Acknowledging the severity of this challenge and the resulting erosion of both fiscal revenues and the threat to the formal industry's sustainability, the Government acted prudently by keeping FED rates unchanged which has played a critical role in halting further growth of illicit cigarette trade in the Country.

For the new category segment, the 2024-2025 Budget introduced a specific FED for modern oral nicotine pouches at PKR 1,200 per kg. This reflects the Government's recognition that these products carry significantly lower

risk compared with traditional combustible cigarettes and supports the growth of this lower risk emerging category.

Conversely, the revision of the FED framework for E- liquids introduced significant commercial challenges for the compliant players in the industry. The duty structure was amended from a fixed PKR 10,000 per kg to the higher of PKR 10,000 per kg or 65% of the retail price; an adjustment that pushed retail prices up by almost 180%. In a market where 100% of sales are non-duty paid, this rendered compliant products effectively unsellable. Consequently, the Company exited the E-liquid category, as the cost of compliance by the regulated operators became widely available commercially unsustainable. During this period, PTC remained the only operator importing vaping products under the correct HS code and paying all applicable duties.

#### Increase In Duties and Taxes, and Need for Rigorous Enforcement

The exorbitant increase in FED during FY 2022-2023 further incentivized the DNP segment leading to a sharp rise in sales of the non-compliant cigarette brands. Smuggled and non-duty paid products became widely available across the Country, including the rural areas. Many of these products continue to be sold without tax stamps or the required Graphical Health Warnings, which clearly shows that monitoring at the retail level remains inadequate/weak.

The Government, despite having introduced several interventions aimed at addressing the curse of evasion, including the Track and Trace System, has not been successful in fully addressing the illicit cigarette trade challenge. Currently only two manufacturers are fully compliant and contributing a disproportionate share to the Government revenue. Due to non-compliance of T&T at the Point of Sales (POS), locally manufactured non-duty paid and smuggled cigarettes are openly selling at POS across the Country. Recent research by the Institute of Public Opinion Research found that out of 477 brands in the market, only 22 met the current compliance requirements. The remaining brands included over 300 that carried neither tax stamps nor mandatory warnings.

After the announcement of the 2025-2026 Budget, enforcement efforts were further intensified and delivered some positive results which have halted further growth of the DNP segment. Yet given the magnitude and scale of the illicit cigarette trade, enforcement must always be complemented by fiscal measures. The illicit cigarette market still holds the majority share of all cigarettes consumed in the Country. The two compliant companies having less than 50% combined market share contribute 95% of total Government Revenue from the Tobacco Sector.

## Regulatory Environment

In recent years, regulatory authorities have implemented stronger measures to regulate tobacco communications, most notably through the Ministry of National Health Services, Regulations & Coordination's 2020 directive enforcing a comprehensive Tobacco Advertising, Promotion and Sponsorship (TAPS) ban under the Prohibition of Smoking and Protection of Non Smokers' Health Ordinance, 2002. While compliant companies such as PTC have fully aligned their practices with these requirements, several local manufacturers continue to openly flout the regulations. Weak and inconsistent enforcement has allowed such non compliance to persist, creating fiscal and regulatory disadvantages for legitimate players and distorting fair market competition. Strengthening and consistently implementing enforcement mechanisms is therefore essential to ensuring regulatory credibility and a level playing field.

In addition to the above, there is limited enforcement of Pakistan's Graphical Health Warning (GHW) laws at retail. Following the 200% FED increase in FY 2022–23, the influx of non GHW smuggled cigarette packs has increased significantly. This trend continues to undermine the compliant manufacturers whilst eroding the legitimate players' market share. Strengthening enforcement remains essential to protecting fiscal revenues and ensuring a level playing field.

## Company Performance

Despite a challenging environment faced by PTC, your Company's 2025 performance is a testimony to the resilience of its people and the robustness of its business model. Our focus on investment and shareholder value creation is evident from the fact that PTC strengthened its share leadership position in the legitimate combustible cigarette segment by 13 bps to 80.3% whereas the Modern Oral Category continued to maintain its category share leadership and grew 11.4% during the period under review. In addition, gross turnover grew by 5.4% to PKR 374.7 billion including exports which reached record level of PKR 14.4 billion. With total tax contributions amounting to PKR 260.8 billion, the Company remained one of the Country's most significant and compliant contributors to the formal economy. PTC's tax contributions to the national exchequer is critical at a time when increasing tax revenues remain an ongoing challenge as efforts at revenue mobilization continue to be undermined by rising informality.

The performance in the period under review reflects the Company's strong portfolio fundamentals, focused execution standards, and commitment to operating transparently in a market increasingly distorted by illicit trade practices.

The Company posted a profit after tax of PKR 29.85 billion and earnings per share of PKR 116.85, continuing to deliver long term value to shareholders despite the challenging regulatory and commercial environment. Profitability improved during the year, supported by disciplined cost controls, targeted investment behind priority brands and strong operational execution across all business pillars.

While the headwinds in the operating environment endure, we are assured by the underlying robustness of the business. However, the prospect of ongoing volatility requires an even greater impetus for sharper strategic focus and delivery. Our refined strategy is aligned with BAT Group's strategy and is embedded across the business, being fundamentally built three pillars: Quality Growth, Sustainable Future and Dynamic Business. Together this forms a roadmap which we believe will enable PTC to continue to grow and transform sustainably, responsibly and successfully.

## Quality Growth

As the driving force behind our transformation, our Quality Growth pillar is about how we innovate, transition into the future, and deliver great products in a sustainable way for consumers. With a more balanced focus on top-line and bottom-line delivery, we are already seeing results in our Modern Oral and Combustible categories within the compliant market space. Our investments on combustible category brands such as Pall Mall, Benson & Hedges, Dunhill, Capstan and targeted investments on our iconic modern oral brand VELO, have enabled us to achieve market leadership in both categories. In 2025, we also introduced another iconic international combustible category brand 'Lucky Strike' to Pakistan for the first time ever with promising prospects. We continue to maximize on growth potential by focusing on brands, operations efficiency and margin delivery across the business. Effective regulation and anti-illicit trade enforcement will be pivotal to ensure a level playing field and to allow consumers to switch to duty-paid legitimate brands and smokeless alternatives such as VELO.

Exports remained a major contributor to growth and an essential source of foreign exchange for Pakistan. Export turnover increased by 44%, supported primarily by strong performance in Unmanufactured Tobacco. This growth helped enhance agricultural output and improve farmers' livelihoods, particularly in Khyber Pakhtunkhwa. VELO exports grew by an exceptional 260%, reflecting the success of PTC's "Made in Pakistan" strategy and the Company's world class quality image and increasing competitiveness across in our export markets including Asia, the GCC, Africa, Europe, and South America. Export led growth also helped offset pressures in the domestic market, where downtrading toward illicit products resulted in a 1.8% decline in legitimate cigarette volumes.

## Sustainable Future

The Sustainable Future pillar is crucial to achieving our goal of creating A Better Tomorrow™ by Building a Smokeless World. With emphasis on investments in the quality of our Smokeless products such as VELO – driven by science, and our commitment to further enhance external engagement and advocacy, including with regulators, making our purpose a reality. Sustainability and integrity are a core priority in everything we do as we endeavour to provide more adult consumers around the world with access to Smokeless products responsibly. In alignment with BAT Group's global ambition of Building a Smokeless World, PTC continued to expand its multi category footprint. Modern Oral products maintained strong momentum, with VELO volumes rising by 11.4% and turnover increasing by 43%. This trajectory reinforces the Company's commitment to science based innovation and evolving consumer preferences, marking two decades since modern nicotine alternatives first entered global markets.

Another highlight this year for PTC was the launch of Omni™, a dedicated resource created by BAT Group specifically for scientists, public health authorities, regulators, policy makers and investors. It articulates our progress towards A Smokeless World, and demonstrates how science, innovation and over a decade's worth of evidence can combine to achieve it. PTC continues to address the issue of illicit trade through a structured, three-pillar strategy that encompasses public advocacy through the Behatareen Pakistan campaign, multistakeholder engagements focused on policy improvements, and ongoing calls for consistent enforcement.

Outside its commercial commitments, PTC sustained its long standing focus on social impact and environmental responsibility. The Company continued to operate one of the Country's largest private sector afforestation programs, distributing over 3 million saplings annually. Through its 12 Mobile Doctor Units, PTC provided free consultations and medicines to underserved communities. Additionally, the Company maintained 26 water filtration plants across nine districts, each with a capacity of 20,000 litres per day, improving access to clean drinking water in vulnerable areas. PTC also advanced sustainable agriculture practices through irrigation related interventions introduced in partnership with provincial stakeholders.

## Dynamic Business

Building further on PTC's success, the Dynamic Business pillar reflects our commitment to ensuring the business operates efficiently and effectively across all areas. This will be achieved by creating financial flexibility to invest in our people, our products and to maximize shareholder returns. As part of our active capital allocation in 2025 the Board maintained its focus on enhancing shareholder value and announced a total dividend of PKR 150 per share for the year ended 2025. The Company is committed to maximizing shareholder returns through year-on-year earnings growth.

We continue to strengthen risk management practices, particularly in working capital and treasury operations, to navigate macroeconomic volatility.

Ensuring that PTC continues to build upon its Employee Value Proposition through nurturing a diverse, inclusive and people-oriented place to work. This is a core part of the Dynamic Business pillar. We are truly proud of the culture we have built and the thousands of people across the tobacco ecosystem who are bringing PTC's ambitions to life. PTC's business delivery would not be possible without the talented people who work at PTC, who are guided by BAT Group's core values. The inclusive culture we are building will ensure we have the talent to deliver both in the present and in the future. In 2025, PTC made strong progress in advancing its people-first agenda, strengthening the foundation of leadership, talent, and employee wellbeing across the organisation. The Company introduced refreshed Leadership Capabilities that now guide how leaders inspire teams, drive performance, and role-model the behaviours essential for PTC's future. A modernized Talent Model was also rolled out, providing clearer criteria for assessing potential and supporting more strategic succession planning. Together with an updated Employer Value Proposition, these initiatives reinforced PTC's commitment to offering meaningful careers and growth opportunities for employees at every stage.

Employee wellbeing remained a core priority throughout the year. The launch of the holistic 'Live Well' framework enhanced support across physical, mental, social, and financial wellbeing, with programs ranging from fitness and counselling services to community-building and financial literacy initiatives. These efforts helped create a more supportive and connected workplace experience.

PTC's inclusive and values-driven culture continued to differentiate the Company. Engagement activities, cultural celebrations, and team-building initiatives strengthened the sense of belonging across sites nationwide. The positive impact of these efforts was reflected in the 2025 Your Voice Engagement & Inclusion survey, where employees reported meaningful improvements in key cultural and leadership dimensions. Externally, PTC once again earned recognition for its progressive culture and strong performance in Diversity, Equity & Inclusion.

PTC's performance in 2025 reflects the inherent strength of its value proposition, the discipline embedded in its operations, and the commitment of its people to delivering responsibly in a challenging environment. Looking ahead, the Company will continue to prioritize innovation, export competitiveness, operational excellence, and active advocacy for data driven policy frameworks that strengthen the formal economy and support long term national revenue generation.

## Financial Review

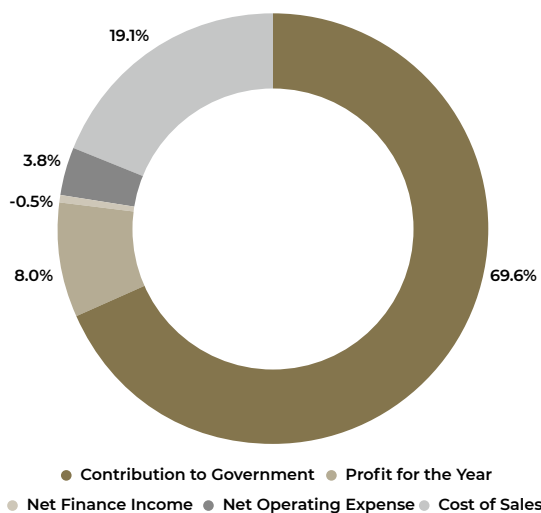
	Rs. (million)	
	2025	2024
Gross Turnover	374,688	355,507
FED & Sales Tax	235,670	234,429
Net Turnover	139,018	121,078
Cost of Sales	71,577	61,265
Gross Profit	67,441	59,813
Operating Profit	49,286	44,448
Profit Before Tax – PBT	51,116	49,500
Profit After Tax – PAT	29,855	27,783
Earnings Per Share – EPS (PKR)	116.85	108.74

### Statement of Profit or Loss Analysis

During the year, the Company contributed PKR 260.8 billion in the form of taxes and duties to the national exchequer, which translates to 69.6% of its gross turnover, which is higher than last year by 0.50%. In comparison, 8.0% of the total revenue was retained for shareholder returns and reinvestment to support future business growth. Cost of Sales and Net Operating Expenses represented 19.1% and 3.8% of gross turnover, respectively.

Domestic gross turnover grew by 4.3% versus the previous year, driven by more effective commercial execution, focused brand investment, and a pricing strategy aligned with consumer preferences. On the export front, the Company shipped 1.1 billion cigarette sticks, 169 million oral nicotine pouches, and 7.3 million kilograms of unmanufactured tobacco, which is 52% higher than the prior year. These export efforts generated USD 51.9 million in revenue during 2025.

### Gross Turnover



Overall Cost of Sales increased by 16.8%, compared to a 21.4% increase recorded in 2024. This easing was mainly attributed to lower per unit cost escalation due to easing inflationary pressures supported by productivity initiatives and disciplined cost management measures implemented throughout the year.

### Statement of Financial Position Analysis

Property, plant, and equipment grew by 16.5% in 2025, with 48 capital projects executed across the Company's manufacturing facilities. These investments were primarily targeted towards modernizing existing infrastructure to enhance product quality, enable innovation, improve operational efficiency, and meet evolving regulatory requirements.

Stock in Trade rose by 10.2%, in anticipation of growth in sales volumes. This buildup was supported by a healthier monthly sales run rate, necessitating higher inventory levels to ensure uninterrupted supply.

Cash and cash equivalents declined by 87.3% compared to the same period last year, primarily due to higher dividend distribution towards the end of 2025, which significantly reduced available liquidity. In addition to dividend outflows, substantial statutory regulatory payments, including the settlement of input duties on key raw material imports also impacted cash balances of the company.

### Liquidity Management

PTC's Treasury function plays a critical role in safeguarding and optimizing the Company's financial resources. Its mandate covers the management of liquidity, funding, and investments to ensure that the organisation remains adequately financed to meet its operational requirements and strategic objectives. The function is structured to maintain financial stability, optimize returns on available funds, and effectively manage the financial risks associated with the Company's activities.

Treasury operations are conducted within a robust governance framework comprising clearly defined policies, procedures, and counterparty exposure limits. These controls are reviewed periodically and approved either by the Board of Directors or through delegated authority to the Finance Director or the Internal Treasury Committee. This structure ensures disciplined execution, strong oversight, and adherence to the Company's financial management principles.

### Profit Distribution & Revenue Reserve Analysis

The Company commenced the year with distributable reserves of PKR 40.81 billion. In 2025, PTC generated a net profit of PKR 29.85 billion and declared five interim dividends amounting to PKR 150 per share. After accounting for these appropriations, the Company's distributable reserves stood at PKR 32.47 billion at year end. A detailed breakdown of the movements in reserves is presented in the table below:

	Rs. (million)	Rs. Per Share
Opening Reserves	40,812	
Net Profit 2025	29,855	116.85
Other Comprehensive Income	129	
Unappropriated Reserves	70,796	
Interim Dividends 2025	(38,324)	150.00
Closing Reserves	32,472	

### Final Dividend

The Board of Directors of PTC, in its meeting held on February 26, 2026, recommended a final cash dividend of PKR 0 per share for the year ended December 31, 2025 (2024: PKR 0 per share) for the shareholders' approval. The Company has paid interim dividends of PKR 30 per share and PKR 30 per share in Q1, PKR 40 per share in Q2, and PKR 30 per share and PKR 20 per share in Q3 2025, amounting to a total interim dividend of PKR 150. The recommendation for the final cash dividend is subject to approval by shareholders at the Annual General Meeting, scheduled on April 28, 2026.

### Consolidated Financial Statements and Segmental Review

The consolidated financial statements present the combined results of PTC and its wholly owned subsidiary, Phoenix (Private) Limited. The subsidiary remains dormant and has not commenced any commercial operations.

### Subsequent Events Review

Management has reviewed all events occurring subsequent to the financial year end up to the date of this report and confirms that no material events or commitments have arisen that would affect the Company's financial position during this period.

### Operations Review

PTC 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 3 certification, enhancing productivity and efficiency across the entire value chain. Additionally, PTC's Green Leaf Threshing (GLT) facility continues to deliver manufacturing excellence as the first Phase 2 certified factory in the BAT Group under the Integrated Work System (IWS).

In alignment with its Tobacco Harm Reduction agenda, PTC operates a dedicated manufacturing facility at its Jhelum site for producing tobacco-free oral nicotine pouches. This facility is the first of its kind of the BAT Group in the Asia Pacific and Middle East Region. Catering to both domestic and international markets, the facility further reinforces PTC's strategic positioning as a global export hub, supported by best-in-class operational efficiency. During

the year, the Company also achieved its highest ever leaf exports, creating significant value for the BAT Group while contributing to foreign currency inflows for the country.

In 2025, the Company advanced its sustainability and environmental stewardship agenda, launching multiple green initiatives. Notably, a 5.9 MW solar power facility enabled the displacement of over 2,500 tons of CO<sub>2</sub> emissions through renewable energy, making it the largest solar energy park in the BAT Group. In addition, the implementation of DigiChill, enabling Level 4 granularity in energy consumption monitoring and analysis, strengthened data-driven energy efficiency and sustainability outcomes.

PTC continues to accelerate its digital transformation journey, launching several initiatives to enhance operational excellence and real-time performance monitoring through the "Ultimate Control Tower" as well as introducing touchless Primary Manufacturing Department (PMD) operations. In parallel, the Company expanded its manufacturing capacity to meet the growing domestic and international demand for its Brands through commissioning a new production line for Modern Oral products, further reinforcing its ability to support strategic growth objectives.

The Company remains at the forefront of manufacturing excellence by exporting its technical expertise to other BAT entities worldwide. In 2025, the Company extended its leadership in IWS implementation beyond Nigeria & Zambia to include Bangladesh and the USA. PTC continues to drive sustainable performance enhancements and cost efficiencies 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

As part of its ongoing commitment to responsible and sustainable business practices, PTC continued to strengthen its Environment, Social and Governance (ESG) agenda throughout 2025. The Company remained focused on environmental stewardship, supported by sustained investments in renewable energy and overall resource efficiency.

During the year, PTC's on site renewable energy capacity reached 47%, generating 108,328 GJ of clean energy and contributing to a 62% reduction in CO<sub>2</sub> emissions. These efforts reflect the Company's consistent drive to reduce its environmental footprint and enhance long term climate resilience.

Water conservation also remained a central focus of PTC's sustainability strategy. In 2025, the Company recycled 51% of the water used across its operations, maintaining full compliance with its AWS certification requirements.

PTC further advanced its flagship afforestation program, distributing and planting more than 3 million saplings during the year. This initiative continues to play a vital role in supporting broader environmental regeneration efforts in Pakistan, particularly amid the country's climate related challenges.

On the social front, PTC strengthened its commitment to community health and well being through the Mobile Doctor Unit program. In 2025, more than 145,000 patients received free medical consultations and medicines through this initiative. These units also played a critical role in emergency support during the monsoon floods.

To address the challenge of limited access to clean drinking water in remote communities, the Company ensured the continued operation of 26 water filtration plants, providing up to 20,000 litres of clean water daily.

Through these integrated environmental and social initiatives, PTC reinforced its position as a responsible corporate citizen, embedding sustainability into core operations and community engagement. The Company remains committed to advancing its ESG priorities in a way that delivers shared value to stakeholders and contributes to a more sustainable and resilient future.

## Marketing Review

As 2025 progressed, PTC continued to lead with consumer centric innovation and portfolio agility, even as the market faced ongoing affordability pressures. Despite major disruptions as a consequence of cross border hostilities and one of the most severe flood seasons in recent years, PTC demonstrated exemplary performance by ensuring business continuity allowing it to maintain its industry leadership through effective route to market operations.

Our flagship brand, Capstan by Pall Mall, remained a cornerstone of our success, delivering 20.1 billion sticks in sales and reaffirming its leadership in the category. At the same time, the Company accelerated its differentiation strategy with a series of successful brand launches across key consumer segments, reinforcing PTC's reputation as a market innovator.

PTC's unwavering focus on brand building and route to market optimization resulted in achieving its highest ever market share of 80.3% (+0.1 pp vs SPLY) in the duty paid category. This performance has further strengthened PTC's leadership within the legitimate market.

The Company's strategic commitment to being a truly multi category player also continued to deliver strong results. This was highlighted by the robust performance of VELO™, which achieved an 11.4% increase in volumes in 2025 versus the previous year, while also establishing one of the world's largest active consumer bases with more than half a million consumers.

## Risk Management and Internal Controls

The Board provides rigorous strategic oversight to the Company, ensuring that its internal control environment remains robust and that operational risks are effectively anticipated and managed. PTC's risk management and internal control framework is structured to safeguard shareholder value and protect the Company's assets, with a strong emphasis on early risk identification and timely mitigation to support the achievement of organisational objectives.

A disciplined governance structure, reinforced by comprehensive policies and a culture of accountability, enables the Company to maintain a resilient and consistent compliance environment. Department heads conduct regular assessments of globally defined key controls, and any instances of non-compliance or control deficiencies are promptly escalated to the Governance Committee, accompanied by detailed remediation plans.

The Company maintains full compliance with the requirements of the U.S. Sarbanes Oxley Act of 2002 (SOx), reflecting its commitment to financial integrity, transparency, and strong control standards. Furthermore, all employees reaffirm their adherence to the Company's Standards of Business Conduct annually, reinforcing a unified culture grounded in ethics, integrity, and compliance across the organisation.

## Forward Looking Approach

As we look ahead, 2026 is expected to present another demanding year for the industry. Given the strength of our people, the depth of our brand portfolio, and our comprehensive understanding of the local market, positions us well to navigate these challenges effectively. While broad macroeconomic pressures persist, we remain equally focused on the distinct obstacles facing the local tobacco sector, including elevated taxation levels and insufficient enforcement measures. Aligned with our corporate strategy, the Company remains committed to delivering strong business performance by concentrating on priority objectives that support long term, sustainable growth.

## Drive Growth Agenda

The Company's overarching objective remains the delivery of sustainable long term growth for its shareholders. A predictable and consistently enforced regulatory environment is essential to safeguarding the commercial viability of legitimate industry players to ensure continuity of Government revenues. To that end, the Company will continue to work closely with relevant authorities to support the full and effective implementation of the Track & Trace System (T&T), using it as a cornerstone for strengthening enforcement across Pakistan.

Looking ahead, the Company is focused on rebuilding its consumer base and strengthening market share by reinforcing the equity of its existing brands and driving planned portfolio enhancements aligned with adult

consumer preferences across all operating segments. These efforts will be supported by targeted, insight driven campaigns designed to reach consumers at relevant and high impact touchpoints, enhancing brand visibility and engagement.

By placing the consumer at the heart of its strategy, the Company aims to maintain a resilient and compelling brand portfolio; one that remains differentiated, competitive, and positioned for continued leadership. Through consistent execution of this strategy, the Company is well positioned to sustain its dominance in the legitimate segment of the market and accelerate share recovery across the total industry.

### **Maintain Adequate Access to Foreign Currency**

Despite the recent strengthening of Pakistan's foreign currency reserves supported by the IMF's Extended Fund Facility (EFF) and continued bilateral assistance from partner countries, managing foreign currency liquidity remains a key priority for the Company. While the State Bank of Pakistan (SBP) has delivered a historic current account surplus and improved liquidity conditions in the market, the Company remains vigilant to ensure that all foreign currency obligations are settled independently and on time. Ensuring the smooth and uninterrupted disbursement of dividends to international shareholders is especially important, as it plays a vital role in maintaining investor confidence and supporting the Company's long term capital structure.

The Government of Pakistan, through the Special Investment Facilitation Council (SIFC) and the Ministry of Finance, has reaffirmed its commitment to supporting the manufacturing sector as a cornerstone of economic stability. A key focus for 2025 is ensuring that dividends to international shareholders are processed without delay; an important step toward rebuilding investor trust and strengthening Foreign Direct Investment (FDI) flows. For PTC, this level of transparency and consistency is essential to maintaining the confidence of British American Tobacco (BAT) Group and the wider global stakeholder community.

At the same time, the Company continues to support the Government's broader agenda of expanding the tax base, particularly through the full and effective implementation of the Track & Trace System, which remains central to establishing a fair and transparent operating environment.

### **Drive Effective Resource Allocation and Cost Management**

The Company continues to operate in an environment characterized by persistent inflationary pressures. The management remains firmly focused on the timely execution of prudent and effective mitigation strategies to safeguard operational efficiency and deliver sustainable value to shareholders.

The local currency is expected to remain under pressure, with limited prospects for near-term appreciation. This is likely to further increase input costs and place pressure on operating margins. The Group continues to focus on reducing working capital to free up liquidity to meet ongoing business needs. Notwithstanding these headwinds, management remains well-equipped and focused on mitigating inflationary pressures, as successfully demonstrated in previous years.

### **Drive Operating and Manufacturing Efficiencies**

The Company is strategically positioned to further enhance operational and manufacturing efficiencies through targeted capital investments. Building on its IWS certification, management remains committed to driving operational excellence and safe working practices, with a strong focus on deploying state-of-the-art equipment and executing machinery upgrades. These initiatives are expected to deliver improved efficiency, reliability, and scalability, while also enabling future product innovations critical to sustaining the Company's competitive advantage.

The Company is adequately equipped to respond to potential increases in market demand and continues to invest proactively in manufacturing capabilities to ensure readiness for evolving regulatory requirements.

In parallel, the Company continues to strengthen its operating infrastructure through ongoing investments in best-in-class Environment, Health and Safety (EH&S) equipment, systems, and processes, reinforcing a safe, compliant, and secure working environment for all employees.

### **Environment, Social & Governance (ESG)**

ESG remains a central pillar of PTC's corporate strategy, shaping its commitment to sustainable growth and responsible business conduct. The Company continues to advance the transition toward reduced-risk products, aiming to lessen the health impact of its operations while investing in initiatives that uplift, support, and empower the communities in which it operates.

Building on a strong foundation, PTC is committed to expanding the scope and impact of its ESG agenda, strengthening its position as a leader in responsible, sustainable, and forward looking corporate practices.

### **Invest In Human Capital And Looking Ahead With Confidence**

Looking ahead, PTC is well-positioned for the future. The refreshed leadership framework strengthened talent architecture, comprehensive wellbeing agenda, and continued cultural focus, position the organisation to navigate emerging challenges

with confidence. Investments in digitalization, simplification, and modern people practices ensure that PTC continues to stand out as an employer of choice; powered by a dynamic, engaged, and purpose driven workforce ready to shape the Company's next chapter.

What is clear to us is that our refined strategy is right and the foundations we're building upon are robust. We are transparent about our intention to move our business beyond cigarettes by migrating adult smokers from cigarettes to Smokeless products such as VELO, and to enable consumers of non-tax-paid illicit brands to switch to our compliant products. We are actively engaging with stakeholders, investing heavily in our science, innovation and resource to enable us to execute with precision and achieve high quality, long-term growth – with sustainability and integrity throughout. Our transformation journey is well underway, and we are an organisation ready to deliver, with operational excellence and improving capital allocation flexibility for the benefit of all stakeholders. The future is bright for PTC. The Board of Directors is excited about the difference we can make, and the potential we have to Build a Smokeless World and drive A Better Tomorrow™.

## 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:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow, and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and the accounting estimates are based on reasonable and prudent judgement.
- 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.

- The system of internal controls is sound in design and has been effectively implemented & monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance and listing regulations.
- All major Government levies in the normal course of business, payable as at December 31, 2025, have been disclosed in the notes to the financial statements.
- Key operating and financial data for the last six years in a summarized form is provided separately in the Company's Annual Report.
- Value of investments in employees' retirement funds for the year ended December 31, 2025, are as follows. Further details are provided in Note 32 to the financial statements.

Fund name	(Rs. million)
Staff Pension Fund	10,548
Employees Gratuity Fund	2,822
Management Provident Fund	1,658
Employees Provident Fund	789
Defined Contribution Pension Fund	2,650

## 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
<b>Independent Directors</b>	<b>4</b>
Mr. Nasir Mahmood Khan Khosa <small>Chairman</small>	
Lt. Gen. (R) Najib Ullah Khan	
Mr. M. Sualeh Ahmed Faruqui	
Mr. Asif Jooma	
<b>Non-Executive Directors</b>	<b>5</b>
Mr. Usman Zahur	
Ms. Mona Iskandarani	
Mr. Gary Tarrant	
Mr. Wael Sabra	
Mr. Faisal Saif	
<b>Executive Directors</b>	<b>3</b>
Syed Ali Akbar	
Syed Asad Ali Shah	
Mr. Ahad Khan	

There is a female representation on the Board in compliance with applicable regulatory requirements.

The overall effectiveness of the Board is enhanced by the diversity and breadth of perspective and experience of its members, who combine professional and academic skills and experience, local and international, and collectively possess sufficient financial acumen and knowledge. 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, or non-executive), industry experience and directorship of other companies, are provided separately in the Annual Report.

The status of directorship (independent, executive, or non-executive) is indicated in the Statement of Compliance with the Code of Corporate Governance.

## Changes in the Board

The following changes took place in the Board:

- i Mr. Zafar Mehmood retired and was replaced by Mr. M. Sualeh Ahmed Faruqui w.e.f. 24-04-2025.
- ii Mr. Mohammad Riaz retired and was replaced by Mr. Usman Zahur w.e.f. 24-04-2025.
- iii Mr. Gary Tarrant retired and was replaced by Ms. Mona Iskandarani w.e.f. 24-04-2025.
- iv Syed Muhammad Ali Abrar retired and was replaced by Mr. Ahad Khan w.e.f. 24-04-2025.
- v Ms. Belinda Ross resigned w.e.f. 30-09-2025 and was replaced with Mr. Gary Tarrant w.e.f. 22-10-2025.

## 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 adequate monitoring of the Company's performance. Special meetings are also held throughout the year to discuss important matters, as and when required. In 2025, seven (7) Board meetings were held, out of which the 1<sup>st</sup> meeting was held on 28<sup>th</sup> February 2025.

The notices / agendas of the meetings were circulated in advance, in a timely manner, and in compliance with applicable laws. All Board meetings held during the year met 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 Ex Chairman (retired on 24-04-2025)	2/7
Mr. Nasir Mahmood Khan Khosa Chairman	7/7
Syed Ali Akbar Managing Director and CEO	6/7
Syed Asad Ali Shah Director Legal and Corporate & Regulatory Affairs	7/7
Syed Muhammad Ali Abrar Director Finance & IT (retired on 24-04-2025)	2/7
Mr. Ahad Khan Director Finance & IT	4/7
Ms. Belinda Joy Ross Non-Executive Director (resigned w.e.f. 30-09-2025)	4/7
Mr. Wael Sabra Non-Executive Director	6/7
Mr. Usman Zahur Non-Executive Director	3/7
Mr. Gary Tarrant Non-Executive Director (joined w.e.f. 22-10-2025)	1/7
Mr. Faisal Saif Non-Executive Director	6/7
Ms. Mona Iskandarani Non-Executive Director	4/7
Mr. Mohammad Riaz Independent Director (retired on 24-04-2025)	2/7
Mr. Asif Jooma Independent Director	7/7
Lt. Gen (R) Najib Ullah Khan Independent Director	6/7
Mr. M. Sualeh Ahmed Faruqi Independent Director	5/7

### Meetings Held Outside Pakistan

In 2025, PTC conducted all its Board Meetings in Pakistan.

### Committees of the Board

The Board has four sub-committees that assist the Board in performing 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

In accordance with 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 the 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 37 to the financial statements.

### Evaluation of Board's Performance

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

- Understand and recognize 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, 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 Managing Director & CEO 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 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 oversees 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 enhancing 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 to a 3-year term, 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 2025 is demonstrated by the achievement of the corporate plan and compliance with the applicable regulatory requirements.

## **Formal Orientation at Induction**

Newly inducted Board members are taken through an Induction Plan for his / her orientation and familiarization with the Company's vision, organisational structure, roles, and responsibilities of senior executives, major pending or threatened litigation, policies relating to dividends, whistleblowing, summary of the 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 departments 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 the Directors' Training Program (DTP) approved by SECP.

## **Last AGM**

The Company's 78<sup>th</sup> AGM (Annual General Meeting) was held on 24<sup>th</sup> April 2025. All shareholders, including minority shareholders, were sent invitations well in advance, including the meeting time and location. High-quality and comfortable arrangements, aimed at facilitating the shareholders of the Company, were made to conduct the AGM.

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

## **Auditors**

Statutory Audit for the Company for the financial year ended December 31, 2025, has been concluded, and the Auditors have issued their Audit Reports on the Company Financial Statements, Consolidated Financial Statements, and the Statement of Compliance with the Code of Corporate Governance. The Auditors, Messers KPMG Taseer Hadi & Co., shall retire at the conclusion of the Annual General Meeting, and have indicated their willingness to continue as Auditors of PTC. They have confirmed to have achieved a 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, 2026, on the recommendation of the Audit Committee.

This shall be subject to the approval of the shareholders in their meeting scheduled for April 28, 2026.

## **Pattern of Shareholding**

Our holding company, British American Tobacco (Investments) Limited (BAT-IL), incorporated in the United Kingdom holds 94.34% shares of the Company at the year end. The remaining shareholding is spread across the associated company, institutions, and the general public. The pattern of shareholding as at December 31, 2025, alongside the disclosure as required under the Code of Corporate Governance, is provided separately in this Annual Report.

## Trading in Shares by Directors and Executives

The Directors, Managing Director & CEO, Chief Financial Officer, Company Secretary, and their spouses and minors have not performed any trading in the shares of the Company.

## Review of BCM

PTC recognizes that Business Continuity Management (BCM) is essential to ensuring the Company can continue operating effectively during periods of disruption. To support this, PTC has put in place a comprehensive Business Continuity Management System aligned with international standards, enabling the organisation to:

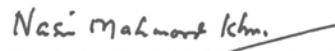
- Plan and prepare proactively for potential disruptions,
- Respond quickly and appropriately when an incident occurs,
- Access the right expertise and information to manage crises effectively, and
- Resume Business as Usual (BAU) as swiftly as possible to limit any adverse impact.

In 2025, the Company navigated a series of evolving challenges: including heightened Indo-Pak tensions, road blockages in Sindh linked to the canals project, and severe flooding caused by unprecedented monsoon rains. Throughout these events, the PTC Security team demonstrated exceptional agility, conducting rapid risk assessments and implementing resilience measures that significantly improved response times and reduced operational exposure.

During the cross-border hostilities in May 2025, contingency protocols were quickly activated to safeguard critical assets and maintain continuity in production and logistics. Similarly, during the TLP led protests later in the year, security teams were deployed at a pace, with alternative routing plans executed to ensure uninterrupted supply chain operations.

With terrorism threats continuing to escalate across Pakistan, the Company strengthened its risk assessment processes and introduced additional mitigation strategies to protect people, assets, and operations amid a more volatile security landscape.

The leadership team has expressed strong appreciation for the BCM initiatives delivered throughout the year, recognizing them as clear examples of strategic foresight, disciplined preparedness, and operational excellence. These efforts played a pivotal role in enhancing the Company's overall resilience.



**Nasir Mahmood Khan Khosa**

Chairman



**Syed Ali Akbar**

Managing Director & CEO

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Tobacco Company Limited Report on the Audit of the Consolidated Financial Statements

### **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 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and (of) its consolidated financial performance and its consolidated cash flows 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 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:

S. No.	Key audit matters	How the matters were addressed in our audit
1	<p><b>Revenue recognition</b></p> <p>Refer notes 7.1 and 9 to the consolidated financial statements.</p> <p>The Group is engaged in the production and sale of tobacco products and velo. For the year ended December 31, 2025, the Group recognized net turnover of Rs 139,018 million from the sales of Factory Manufactured Cigarettes (FMC), tobacco and Modern Oral (Velo).</p> <p>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.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers.</li> <li>• 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</li> <li>• Assessing the appropriateness of disclosures in the consolidated financial statements.</li> </ul>
2	<p><b>Valuation of stock-in-trade</b></p> <p>Refer notes 7.10 and 21 to the consolidated financial statements.</p> <p>As at December 31, 2025, stock-in-trade is stated at Rs. 53,837 million. Stock-in-trade is measured at the lower of cost or net realizable value.</p> <p>We identified valuation of stock-in-trade as a key audit matter due to its size, representing 56.13% of total assets of the Group as at December 31, 2025, and the judgment involved in valuation.</p>	<p>Our audit procedures in respect of valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the design, implementation, and operating effectiveness of key internal controls over valuation of stock-in-trade including determination of net realizable values.</li> <li>• Attending inventory counts and reconciling the count results to the inventory listings.</li> <li>• Assessing the accuracy of cost of stock-in-trade in accordance with the accounting policy.</li> <li>• 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</li> <li>• 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.</li> </ul>

### **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 31 December 2025 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 accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is 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 are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the 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 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: 6 April 2026

UDIN: AR202510240CuQnvW0RS

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
Gross turnover	9	374,688,164	355,506,715
Excise duties		(177,963,705)	(179,481,016)
Sales tax		(57,706,226)	(54,947,896)
<b>Net turnover</b>		139,018,233	121,077,803
Cost of sales	10	(71,577,252)	(61,264,603)
<b>Gross profit</b>		67,440,981	59,813,200
Selling and distribution expenses	11	(9,516,228)	(7,193,982)
Administrative expenses	12	(5,867,276)	(4,986,051)
Other operating expenses	13	(3,907,457)	(3,406,342)
Other income	14	1,135,649	221,614
		(18,155,312)	(15,364,761)
<b>Operating profit</b>		49,285,669	44,448,439
Finance income	15	2,651,611	6,325,660
Finance cost	16	(821,657)	(1,274,538)
Net finance income		1,829,954	5,051,122
Profit before income tax and levies		51,115,623	49,499,561
Levies		–	–
<b>Profit before income tax</b>		51,115,623	49,499,561
Income tax expense	17	(21,260,798)	(21,716,628)
<b>Profit for the year</b>		29,854,825	27,782,933
<b>Earnings per share (basic and diluted) – (Rupees)</b>	18	116.85	108.74

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME


For the year ended December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
<b>Profit for the year</b>		29,854,825	27,782,933
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
– Remeasurement gain on defined benefit pension and gratuity plans	32	212,391	405,392
– Tax charge related to remeasurement gain on defined benefit pension and gratuity plans	17	(82,832)	(158,103)
		129,559	247,289
<b>Total comprehensive income for the year</b>		29,984,384	28,030,222

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
<b>Non current assets</b>			
Property, plant and equipment	19	28,788,874	24,711,806
Advance for capital expenditure		1,933,966	1,681,630
Employees' retirement benefits	32	583,212	472,426
Long term deposits	20	44,114	27,895
		31,350,166	26,893,757
<b>Current assets</b>			
Stock-in-trade	21	53,837,567	48,841,991
Stores and spares	22	673,348	605,175
Trade debts	23	2,650	3,364
Loans and advances	24	611,147	907,989
Short term prepayments		222,028	277,399
Other receivables	25	7,530,172	4,278,914
Cash and cash equivalents	26	1,694,868	13,302,754
		64,571,780	68,217,586
<b>Current liabilities</b>			
Trade and other payables	27	32,203,356	28,895,795
Other liabilities	28	4,764,532	2,741,079
Lease liabilities	30	569,898	719,693
Unpaid dividend		164,725	142,980
Unclaimed dividend		178,355	133,968
Current income tax liabilities		5,581,723	4,270,399
		43,462,589	36,903,914
<b>Net current assets</b>		21,109,191	31,313,672
<b>Non current liabilities</b>			
Lease liabilities – non current	30	3,821,691	3,161,701
Employees' retirement benefits	32	–	264,892
Deferred income tax liabilities	31	1,673,689	2,490,869
		5,495,380	5,917,462
<b>Net assets</b>		46,963,977	52,289,967
<b>Share capital and reserves</b>			
Share capital	33	2,554,938	2,554,938
Capital reserve	34	11,937,195	8,923,501
Revenue reserve – Unappropriated profits		32,471,844	40,811,528
		46,963,977	52,289,967
<b>Contingencies and commitments</b>	35		

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY


## For the year ended December 31, 2025

	Share Capital	Capital Reserve - other reserve	Revenue Reserve - Unappropriated Profit	Total
<b>Balance as at January 1, 2024</b>	2,554,938	4,042,204	44,718,031	51,315,173
<b>Total comprehensive income for the year:</b>				
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
<b>Transactions with owners of the Company:</b>				
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)
<b>Balance as at December 31, 2024</b>	2,554,938	8,923,501	40,811,528	52,289,967
<b>Balance as at January 01, 2025</b>	2,554,938	8,923,501	40,811,528	52,289,967
<b>Total comprehensive income for the year:</b>				
Profit for the year	-	-	29,854,825	29,854,825
Other comprehensive income for the year	-	-	129,559	129,559
Total comprehensive income for the year	-	-	29,984,384	29,984,384
Non reciprocal capital contribution/waiver of liabilities	-	3,013,694	-	3,013,694
<b>Transactions with owners of the Company:</b>				
Interim dividend of Rs. 30 per share relating to the year ending December 31, 2025	-	-	(7,664,813)	(7,664,813)
Interim dividend of Rs. 30 per share relating to the year ending December 31, 2025	-	-	(7,664,813)	(7,664,813)
Interim dividend of Rs. 40 per share relating to the year ending December 31, 2025	-	-	(10,219,752)	(10,219,752)
Interim dividend of Rs. 30 per share relating to the year ending December 31, 2025	-	-	(7,664,814)	(7,664,814)
Interim dividend of Rs. 20 per share relating to the year ending December 31, 2025	-	-	(5,109,876)	(5,109,876)
Total transactions with owners of the Company	-	-	(38,324,068)	(38,324,068)
<b>Balance as at December 31, 2025</b>	2,554,938	11,937,195	32,471,844	46,963,977

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# CONSOLIDATED STATEMENT OF CASH FLOWS

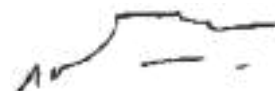
As at December 31, 2025

	Note	2025 Rs. '000	2024 Rs. '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	40	54,203,934	41,551,511
Finance cost paid		(118,837)	(94,585)
Income tax paid		(20,849,487)	(20,494,533)
Contribution to retirement benefit funds		(886,044)	(1,102,389)
Net cash generated from operating activities		32,349,566	19,860,004
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(5,856,257)	(3,836,418)
Advance for capital expenditure		(252,335)	(334,898)
Proceeds from sale of property, plant and equipment		735,364	481,320
Interest received		1,576,402	6,325,660
Net cash (used) / generated from investing activities		(3,796,826)	2,635,664
<b>Cash flows from financing activities</b>			
Dividends paid		(38,257,937)	(39,906,018)
Lease payments		(1,902,689)	(1,783,490)
Net cash used in financing activities		(40,160,626)	(41,689,508)
Net decrease increase in cash and cash equivalents		(11,607,886)	(19,193,840)
Cash and cash equivalents at beginning of the year		13,302,754	32,496,594
<b>Cash and cash equivalents at end of the year</b>		<b>1,694,868</b>	<b>13,302,754</b>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances	26	5,102,641	13,302,754
Short term running finance	26	(3,407,773)	-
		1,694,868	13,302,754

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 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 and Velo products.

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 51,800 million cigarettes (2024: 46,780 million cigarettes) actual production was 30,035 million cigarettes (2024: 29,262 million cigarettes). For modern oral manufacturing capacity was 1,342 million pouches (2024: 1,250 million) and actual production was 1,000 million pouches (2024: 778 million). The split from each industrial unit is given below.

FMC Site	Manufacturing Capacity	
	2025 (Units in Millions)	2024 (Units in Millions)
Akora Khattak Factory	21,100	23,180
Jhelum Factory	30,700	23,600
Total	51,800	46,780
Modern Oral Jhelum Factory	1,342	1,250
FMC Site	Actual Production	
	2025 (Units in Millions)	2024 (Units in Millions)
Akora Khattak Factory	14,467	13,943
Jhelum Factory	15,568	15,319
Total	30,035	29,262
Modern Oral Jhelum Factory	1,000	778

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### Number of employees

Total number of employees as at December 31, 2025 were 1,053 (2024: 1,034). Out of the total number of employees, the number of factory employees as at December 31, 2025 were 389 (2024: 393). Average number of employees during the year were 1,007 (2024: 1,023), whereas average factory employees during the year were 381 (2024: 394).

### 2 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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

### 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 recognized, 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 7.9 & 19 – useful lives, residual values and depreciation method of property, plant and equipment
- Note 7.7 & 33 – Retirement benefits

#### Other estimates

- Note 21 and 22 – Provision of obsolescence of stock in trade and stores and spares
- Note 17 and 31 – Provision for income tax and calculation of deferred tax.
- Note 36 – Financial instrument – fair value
- 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 Group 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 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 interpretation that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2026:

#### General

- 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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize 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 derecognize its trade payable before the settlement date, 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:

Disclosures on investments in equity instruments:

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

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments for hedge accounting:

The new disclosure requirements:

The amendments apply for reporting periods beginning on or after 1 January 2026.

Early application is permitted.

- **Adoption of IFRS 18 and IFRS 19**

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1(b)(ii), 1(b)(iia) and 1(b)(iii) of the Third Schedule to the Act) may follow "IFRS-19, Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

- **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. Early adoption continues to be permitted.

The management anticipates that, the adoption of above standards, amendments and interpretations in future periods, will not have material impact on financial statements other than in presentation / disclosures.

The Company is still in the process of assessing the impact on presentation/ disclosures of the new accounting standards, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cashflows and the additional disclosures.

## 7 Material accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all periods presented in these financial periods.

### 7.1 Revenue recognition

Net Revenue (net turnover) represents gross revenue net of indirect taxes. Gross revenue (gross turnover) is 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 recognized 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 recognized 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### **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.

### **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 recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in the equity. In this case, income tax is also recognized 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 recognized, 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 recognized for all taxable temporary differences and deferred tax assets are recognized 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 recognized 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 recognized for future operating losses. All provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 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 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 recognized in the financial statements.

## 7.7 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 Company 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 recognized 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 the profit or loss.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 recognized as employee benefit expense when they are due. Prepaid contributions, if any, are recognized 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 recognizes 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 recognizes a liability and an expense for bonuses based on a formula that takes into consideration the performance of the British American Tobacco (BAT) Group. The Group recognizes 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 forfeiture 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 7.8 Lease liability

At the commencement date of the lease, the Group recognizes 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 recognized 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 recognized as expense on a straight-line basis over the lease term.

## 7.9 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 recognized 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 derecognized.

All other repairs and maintenance expenses are recognized 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 of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases on the date that the asset is derecognised.

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 recognized in the statement of profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 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 useful life of right of use asset or actual lease term.

### 7.10 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.

### 7.11 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 recognized. The Company reviews the carrying number of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

### 7.12 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

**(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.

**iv. De-recognition**

The Group derecognizes 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 derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Group derecognizes 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 recognizes 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 assess 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 recognized 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 recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

### **7.13 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 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.

### **7.14 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 Group, 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.

### **7.15 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 recognized in the statement of profit of loss.

### **7.16 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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.

### **8 Other accounting policies**

#### **8.1 Income on bank deposit**

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

#### **8.2 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.

#### **8.3 Others**

Scrap sales and miscellaneous receipts are recognized on realized amounts. All other income is recognized on accrual basis.

#### **8.4 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 recognized 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.

#### **8.5 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 recognized until their realization becomes certain.

#### **8.6 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>9 Gross turnover</b>		
– Domestic	360,238,522	345,475,397
– Export	14,449,642	10,031,318
	374,688,164	355,506,715

Revenue recognised during the year that was included in advances from domestic customers and intercompany customers at the beginning of the year amounted to Rs. 107,222 thousand (2024: Rs. 2,890 thousand) and Rs. 1,802,891 thousand (2024: Rs. 1,338,848 thousand) respectively.

	2025 Rs. '000	2024 Rs. '000
<b>10 Cost of sales</b>		
<b>Raw material consumed</b>		
Opening stock of raw materials and work in process	47,691,848	43,673,170
Raw material purchases and expenses – note 10.1	57,884,167	50,601,938
Closing stock of raw materials and work in process	(51,218,247)	(47,691,848)
	54,357,768	46,583,260
<b>Government Taxes and Levies on Purchases</b>		
Customs duty and surcharges	1,251,153	1,182,183
Provincial and municipal taxes and other duties	1,266,158	1,142,649
	2,517,311	2,324,832
	56,875,079	48,908,092
<b>Provision for severance benefits</b>	1,682,191	253,182
<b>Production overheads</b>		
Salaries, wages and benefits	4,914,873	3,873,700
Stores, spares and machine repairs	3,488,315	2,288,706
Fuel and power	2,750,417	1,692,260
Insurance	167,635	112,261
Repairs and maintenance	977,287	647,272
Postage, telephone and stationery	43,977	27,674
Information technology	102,597	62,893
Depreciation – note 19.3	1,516,617	1,316,143
Provision for damaged stocks / stock written off	113,691	414,446
(Reversal) / Provision for slow moving items / stores written off	(28,054)	104,375
Sundries	315,211	141,225
	14,362,566	10,680,955
<b>Cost of goods manufactured</b>	72,919,836	59,842,229
Cost of finished goods		
Opening stock	1,718,694	3,141,068
Closing stock	(3,061,278)	(1,718,694)
	(1,342,584)	1,422,374
<b>Cost of sales</b>	71,577,252	61,264,603

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>10.1 Raw material purchases and expenses:</b>		
Materials	50,400,323	45,600,844
Salaries, wages and benefits	2,344,333	1,816,937
Stores, spares and machine repairs	1,066,523	534,465
Fuel and power	864,401	712,673
Property rentals	58,133	4,801
Insurance	49,704	35,611
Repairs and maintenance	842,763	572,683
Postage, telephone and stationery	113,659	94,397
Depreciation / impairment – note 19.3	578,388	188,236
Sundries	1,565,940	1,041,291
	57,884,167	50,601,938

<b>11 Selling and distribution expenses</b>		
Salaries, wages and benefits	1,590,123	1,578,960
Selling expenses	7,202,761	4,671,993
Freight	246,283	199,049
Repairs and maintenance	36,716	38,350
Postage, telephone and stationery	9,372	8,126
Travelling	125,609	108,844
Property rentals	19,552	25,515
Insurance	30,160	40,323
Provision for damaged stocks / stock written off	(96,324)	28,960
Finished goods / wrapping material stock written off	–	194,723
Depreciation / impairment – note 11.1 & 19.3	351,976	299,139
	9,516,228	7,193,982

**11.1** This includes impairment on property, plant & equipment amounting to Rs. nil thousand (2024: Rs. 418 thousand).

	2025 Rs. '000	2024 Rs. '000
<b>12 Administrative expenses</b>		
Salaries, wages and benefits	1,602,908	1,488,421
Fuel and power	17,762	18,177
Insurance	16,863	13,953
Repairs and maintenance	108,194	62,736
Postage, telephone and stationery	32,092	12,181
Legal and professional charges	152,858	127,445
Donations – note 12.1	300	600
Information technology	3,245,778	2,611,223
Travelling	185,316	161,102
Depreciation / impairment – note 19.3	437,915	441,515
Auditor's remuneration and expenses – note 12.2	32,228	25,753
Sundries	35,062	22,945
	5,867,276	4,986,051

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>12.2</b> Auditor's remuneration and expenses include:		
– Statutory audit fee	4,917	4,097
– 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	25,335	19,835
– Out of pocket expenses	1,976	1,821
	32,228	25,753
<b>13 Other operating expenses</b>		
Workers' Profit Participation Fund – note 26.1	2,756,028	2,483,410
Workers' Welfare Fund – note 28.8	1,151,429	922,932
	3,907,457	3,406,342
<b>14 Other income</b>		
Recharge of expenses to associated companies:		
– BAT Middle East DMCC – UAE	804,421	–
Gain on disposal of property, plant and equipment	327,537	218,074
Miscellaneous	3,691	3,540
	1,135,649	221,614
<b>15 Finance income</b>		
Interest income on:		
Treasury Bills	1,548,489	6,229,822
Saving account	27,912	95,838
Foreign exchange gain – net	1,075,210	–
	2,651,611	6,325,660
<b>16 Finance cost</b>		
Interest expense on:		
Bank borrowings	7,590	5,102
Lease liability	702,820	756,404
Bank charges and fees	111,247	89,483
Foreign exchange loss – net	–	423,549
	821,657	1,274,538
<b>17 Income tax expense</b>		
<b>Income tax – note 17.1</b>		
Current:		
For the year	22,251,546	21,207,189
For prior years	(90,736)	271,792
	22,160,810	21,478,981
Deferred	(900,012)	237,647
	21,260,798	21,716,628

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**17.1** Income tax, amounting to Rs. 21,260,798 thousand (2024: Rs. 21,716,628 thousand) represents tax liability calculated under relevant provisions of the Income Tax Ordinance 2001, in line with the requirements of IAS 12.

**17.2 Effective tax rate reconciliation:**

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

	2025 %	2024 %
Applicable tax rate	29.00	29.00
Tax effect of:		
Super tax – current year	11.14	10.07
Prior year charge	(0.18)	0.36
Others	1.63	4.44
Average effective tax rate	41.59	43.87

	2025 Rs. '000	2024 Rs. '000
<b>17.3</b> Tax on items directly credited to statement of other comprehensive income		
Deferred tax charge on defined benefit plans	82,832	158,103

**18 Earnings per share**

Profit after tax (Rs. '000)	29,854,825	27,782,933
Number of fully paid weighted average ordinary shares ('000)	255,494	255,494
Earnings per share – Basic (Rs.)	116.85	108.74

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

	2025 Rs. '000	2024 Rs. '000
<b>19 Property, plant and equipment</b>		
Operating assets – note 19.1	22,152,491	20,292,361
Capital work in progress – note 19.2	6,636,383	4,419,445
	28,788,874	24,711,806

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 19.1 Operating assets

	Free-hold land Rs. '000	Buildings on free-hold land Rs. '000	Plant and machinery Rs. '000	Office and household equipment Rs. '000	Furniture and fittings Rs. '000	Vehicles Rs. '000	Right of use assets				Total Rs. '000
							Building	Factory vehicles-fork lifter trucks	Vehicles	Sub- total	
							Rs. '000	Rs. '000	Rs. '000	Rs. '000	
<b>At January 1, 2024</b>											
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
<b>Year ended December 31, 2024</b>											
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 - note 19.2	-	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	-	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
<b>At December 31, 2024</b>											
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
<b>At January 1, 2025</b>											
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 January 1, 2025	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
<b>Year ended December 31, 2025</b>											
Net book value at January 1, 2025	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
Additions	-	6,003	88,614	251,637	28,667	-	464,201	247,448	1,225,502	1,937,151	2,312,072
Transfer from CWIP - note 19.2	-	929,440	1,139,727	844,757	163,230	-	35,748	-	-	35,748	3,112,902
Disposals	-	-	(404,505)	-	-	(3,322)	(4,603)	-	(267,518)	(272,121)	(679,948)
Depreciation charge / impairment	-	(58,012)	(1,002,734)	(486,554)	(69,548)	(4,918)	(571,630)	(157,021)	(534,479)	(1,263,130)	(2,884,896)
Net book value at December 31, 2025	33,934	2,246,562	12,974,119	1,509,832	449,081	50,786	2,409,480	217,999	2,260,698	4,888,177	22,152,491
<b>At December 31, 2025</b>											
Cost	33,934	2,806,815	27,817,754	4,527,978	1,053,491	72,900	3,907,282	733,464	3,481,214	8,121,960	44,434,832
Accumulated depreciation / impairment	-	(560,253)	(14,843,635)	(3,018,146)	(604,410)	(22,114)	(1,497,802)	(515,465)	(1,220,516)	(3,233,783)	(22,282,341)
Net book value at December 31, 2025	33,934	2,246,562	12,974,119	1,509,832	449,081	50,786	2,409,480	217,999	2,260,698	4,888,177	22,152,491

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**19.1.1** Disposals of assets are presented at net book value Rs. 679,948 thousand having cost of Rs. 2,949,277 thousand and accumulated depreciation Rs. 2,269,329 thousand (2024: NBV of Rs. 263,246 thousand having cost of Rs. 693,092 thousand and accumulated depreciation disposed off Rs. 429,846 thousand) as at the date of disposal.

**19.1.2** The additions include Intercompany transfers of Assets with a net book value (NBV) of Rs. 151,869 thousand having cost of Rs. 681,141 thousand and accumulated depreciation transferred of Rs. 529,272 thousand (2024: NBV of Rs. 61,132 thousand having cost of Rs. 1,039,277 thousand and accumulated depreciation transferred of Rs. 978,145 thousand).

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

Location	Total Area
<b>Production Plants</b>	
Jhelum	58.3 Acres
Akora	61.0 Acres
Mirpur Azad Jammu & Kashmir	178,324 Sq ft
<b>Warehouses</b>	
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.

	2025 Rs. '000	2024 Rs. '000
<b>19.2 Capital work in progress</b>		
Carrying value at 01 January	4,419,445	2,663,613
Additions during the year	5,329,840	3,084,243
	9,749,285	5,747,856
Transferred to operating fixed assets	(3,112,902)	(1,328,411)
Carrying value at 31 December – note 19.2.1	6,636,383	4,419,445

**19.2.1** CWIP includes capital expenditure on projects related to the installation of new, as well as the enhancement of existing equipment.

	2025 Rs. '000	2024 Rs. '000
<b>19.3</b> Depreciation / impairment charge has been allocated as follows:		
Cost of sales	1,516,617	1,316,143
Raw material purchases and expenses	578,388	188,236
Selling and distribution expenses	351,976	299,139
Administrative expenses	437,915	441,515
	2,884,896	2,245,033

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**19.4** 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		
<b>Plant &amp; machinery</b>						
- by negotiation	295,637	284,265	284,265	-	RJ Reynolds Tobacco Co.- USA	Associated company
	260,525	59,095	59,095	-	RJ Reynolds Tobacco Co.- USA	Associated company
	104,993	60,126	60,126	-	BAT M.E DMCC - U.A.E	Associated company
<b>Vehicles</b>						
-as per Company's policy	3,483	789	695	(94)	Hunnain Mustafa	Assignee-Associated Co.
	3,613	1,493	1,252	(241)	Ali Tariq	Executive
	3,658	927	732	(195)	Badar Azeem Baig	Executive
	3,658	780	732	(48)	Kamran Babar	Executive
	3,663	830	733	(97)	Mazhar Mehboob	Assignee-Associated Co.
	3,733	1,244	897	(347)	Zain Zafar	Executive
	3,733	946	747	(199)	Shafqat Sahi	Executive
	3,913	1,983	1,592	(391)	Adil Ahmed	Assignee-Associated Co.
	3,984	2,391	1,808	(583)	Shahmir Ahmed	Assignee-Associated Co.
	3,987	2,711	2,732	21	Fahad Naseem	Executive
	4,137	938	827	(111)	Shadman Safdar	Executive
	4,137	1,103	827	(276)	Jamal Toru	Executive
	4,417	1,885	1,768	(117)	Agha Nawazish	Assignee-Associated Co.
	5,343	3,206	3,080	(126)	Haseeb Ahmed	Ex-Executive
	5,343	3,704	3,120	(584)	Ashir Baig	Assignee-Associated Co.
	6,630	3,713	3,532	(181)	Ahsan Minhas	Assignee-Associated Co.
	6,630	3,624	2,517	(1,107)	Faisal Iqbal	Ex-Executive
	6,756	4,594	4,526	(68)	Sayed Sohaib	Assignee-Associated Co.
	6,756	4,234	4,011	(223)	Mehrab Khan	Assignee-Associated Co.
	6,974	4,928	4,907	(21)	Ruqayyah Tanveer	Assignee-Associated Co.
	6,974	5,765	5,452	(313)	Hassan Bhutta	Assignee-Associated Co.
	6,974	5,579	5,528	(51)	S.Nigha Kazmi	Executive
	6,974	5,672	5,808	135	Awais Amin	Executive
	7,156	4,771	4,866	95	Aneeq Raheem	Assignee-Associated Co.
	7,204	4,707	4,520	(187)	Zeeshan Sirhindi	Executive
	7,204	5,475	5,107	(368)	Hassan Khan	Executive
	8,690	7,531	7,421	(110)	Alamdard Raza	Executive
	8,694	7,303	7,135	(168)	Amna Aslam	Executive
	8,749	8,166	8,362	197	Shahpar Mehboob	Ex-Executive
	8,887	6,043	5,685	(358)	Arslan Javed	Ex-Executive
	8,980	5,867	5,370	(497)	Nayab Maqsood	Assignee-Associated Co.
	10,611	9,197	7,680	(1,516)	Rida Zubairi	Executive
	12,087	6,769	5,941	(828)	Mir Faraz	Assignee-Associated Co.
	19,998	18,398	16,670	(1,728)	Waseem Hayat	Ex-Executive
	4,160	1,719	1,719	-	BAT SAA Services (Pvt) Ltd	Associated Company
	4,221	1,745	1,745	-	BAT SAA Services (Pvt) Ltd	Associated Company
	4,417	1,826	1,826	-	BAT SAA Services (Pvt) Ltd	Associated Company
	3,987	2,286	2,286	-	BAT SAA Services (Pvt) Ltd	Associated Company
	3,987	2,286	2,286	-	BAT SAA Services (Pvt) Ltd	Associated Company
	6,194	3,799	3,799	-	BAT SAA Services (Pvt) Ltd	Associated Company
	19,178	12,274	12,274	-	BAT SAA Services (Pvt) Ltd	Associated Company
	8,980	6,106	6,106	-	BAT SAA Services (Pvt) Ltd	Associated Company
	8,980	6,106	6,106	-	BAT SAA Services (Pvt) Ltd	Associated Company

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Cost	Book value	Sale proceeds less selling expenses	Gain/(loss) on sale	Particulars of buyers	Relationship
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
<b>- by auction</b>						
-as per Company's policy	3,107	621	5,170	4,549	Through bidding in auction	Auction agent
	3,132	625	4,540	3,915	Through bidding in auction	Auction agent
	3,132	625	4,650	4,025	Through bidding in auction	Auction agent
	3,240	648	4,370	3,722	Through bidding in auction	Auction agent
	3,240	648	4,570	3,922	Through bidding in auction	Auction agent
	3,240	648	4,370	3,722	Through bidding in auction	Auction agent
	3,444	689	5,160	4,471	Through bidding in auction	Auction agent
	3,444	689	5,600	4,911	Through bidding in auction	Auction agent
	3,907	781	5,400	4,619	Through bidding in auction	Auction agent
	4,592	918	6,800	5,882	Through bidding in auction	Auction agent
	4,592	918	6,700	5,782	Through bidding in auction	Auction agent
	4,592	918	6,600	5,682	Through bidding in auction	Auction agent
	4,592	918	6,600	5,682	Through bidding in auction	Auction agent
	4,592	918	6,700	5,782	Through bidding in auction	Auction agent
	4,592	918	6,850	5,932	Through bidding in auction	Auction agent
	5,098	1,020	6,750	5,730	Through bidding in auction	Auction agent
	5,272	1,054	8,720	7,666	Through bidding in auction	Auction agent
	5,272	1,054	8,250	7,196	Through bidding in auction	Auction agent
	5,272	1,054	8,120	7,066	Through bidding in auction	Auction agent
	5,272	1,054	8,500	7,446	Through bidding in auction	Auction agent
	5,272	1,054	7,910	6,856	Through bidding in auction	Auction agent
	5,272	1,054	8,630	7,576	Through bidding in auction	Auction agent
	5,272	1,054	8,850	7,796	Through bidding in auction	Auction agent
	5,272	1,054	8,570	7,516	Through bidding in auction	Auction agent
	5,272	1,054	8,280	7,226	Through bidding in auction	Auction agent
	5,272	1,054	8,450	7,396	Through bidding in auction	Auction agent
	5,272	1,054	8,250	7,196	Through bidding in auction	Auction agent
	5,272	1,054	8,410	7,356	Through bidding in auction	Auction agent
	5,272	1,054	8,060	7,006	Through bidding in auction	Auction agent
	5,272	1,054	8,730	7,676	Through bidding in auction	Auction agent
	5,272	1,054	8,200	7,146	Through bidding in auction	Auction agent
	5,272	1,054	8,000	6,946	Through bidding in auction	Auction agent
	5,272	1,054	8,410	7,356	Through bidding in auction	Auction agent
	5,272	1,054	8,540	7,486	Through bidding in auction	Auction agent
	5,272	1,054	7,705	6,651	Through bidding in auction	Auction agent
	5,272	1,054	8,200	7,146	Through bidding in auction	Auction agent
	5,272	1,054	8,500	7,446	Through bidding in auction	Auction agent
	5,272	1,054	8,300	7,246	Through bidding in auction	Auction agent
	5,272	1,054	8,270	7,216	Through bidding in auction	Auction agent
	5,324	1,065	6,800	5,735	Through bidding in auction	Auction agent
	5,324	1,065	8,200	7,135	Through bidding in auction	Auction agent
	5,338	1,068	7,250	6,182	Through bidding in auction	Auction agent
	5,343	3,348	4,870	1,522	Through bidding in auction	Auction agent
	5,604	1,121	9,090	7,969	Through bidding in auction	Auction agent
	6,089	1,218	8,900	7,682	Through bidding in auction	Auction agent
	6,974	5,951	7,360	1,409	Through bidding in auction	Auction agent
	7,204	4,995	5,250	255	Through bidding in auction	Auction agent
	8,641	5,991	7,690	1,699	Through bidding in auction	Auction agent
	19,178	13,297	16,300	3,003	Through bidding in auction	Auction agent
	19,545	3,909	21,300	17,391	Through bidding in auction	Auction agent
<b>- by insurance claim</b>						
-as per Company's policy	3,663	928	5,210	4,282	EFU General Insurance Ltd.	Insurance agent
	3,733	1,394	5,800	4,406	EFU General Insurance Ltd.	Insurance agent

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>20 Long term deposits</b>		
Security deposits	44,114	27,895
<b>21 Stock-in-trade</b>		
Raw materials	50,011,896	46,621,597
Raw materials in transit	920,118	813,547
Work in progress	286,233	256,704
Finished goods	3,061,278	1,718,694
	54,279,525	49,410,542
Provision for damaged / obsolete stock – note 21.1	(441,958)	(568,551)
	53,837,567	48,841,991
<b>21.1</b> Movement in provision for damaged stocks is as follows:		
Balance at 01 January	568,551	141,936
Provision for the year	113,691	638,128
Written off / reversal during the year	(240,284)	(211,513)
Balance at 31 December	441,958	568,551
<b>22 Stores and spares</b>		
Stores and spares	829,633	789,514
Provision for slow moving items – note 22.1	(156,285)	(184,339)
	673,348	605,175
<b>22.1</b> Movement in provision for slowing moving items is as follows:		
Balance at 01 January	184,339	79,964
(Reversal) / Provision during the year – note 10	(28,054)	104,375
Balance at 31 December	(156,285)	184,339

## **23 Trade debts**

These represent amounts receivable from Government entities of Rs. 2,650 thousand (2024: Rs. 3,364 thousand).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>24 Loans and advances</b>		
Related parties:		
Advances to key management personnel for house rent and expenses – note 24.1	2,547	224
Others:		
Advances to executives for house rent and expenses	45,173	31,729
Advance to Creditors	530,312	634,360
Advances to other parties	33,115	241,676
	611,147	907,989
<b>24.1</b> The following advances were outstanding as at December 31:		
Uzair Qazi	247	224
Mir Faraz	2,300	–
	2,547	224

The maximum aggregate amount of advances to key management personnel outstanding at the end of any month during the year was Rs. 2,547 thousand (2024: Rs. 2,872 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.

	2025 Rs. '000	2024 Rs. '000
<b>25 Other receivables</b>		
Related parties – unsecured:		
Due from associated companies – note 25.2	5,712,561	3,614,648
Workers' profit participation fund – note 25.1	636,628	243,567
Staff pension fund – defined contribution	361	566
Management provident fund	–	424
Employees' provident fund	–	169
Others:		
Claims against suppliers	6,576	6,576
Cash margin with banks – imports	1,076,369	343,301
Others	97,677	69,663
	7,530,172	4,278,914
<b>25.1</b> Movement in Workers' Profit Participation Fund is as follows:		
Balance at 01 January	243,567	(1,232,556)
Allocation for the year	(2,747,617)	(2,450,579)
Interest expense on WPPF	(8,411)	(32,831)
Payments during the year	3,149,089	3,959,533
Balance at 31 December	636,628	243,567

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**25.2** 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	2025 Rs. '000	2024 Rs. '000
<b>Holding company:</b>					
BAT (Investments) Ltd – UK	89,996	–	23,668	113,664	39,672
<b>Associated companies:</b>					
BAT M.E DMCC – UAE	–	435,275	2,956,600	3,391,875	2,767,324
BAT (GLP) Limited – UK	–	24,660	1,213,604	1,238,264	131,171
BAT Nigeria Ltd – Nigeria	–	85,470	244,930	330,400	202,777
BASS GSD Ltd. – UK	205,497	–	–	205,497	–
Nicoventures Trading Limited – UK	55,629	49,875	41,970	147,474	39,905
BAT Exports Limited – UK	8,917	68,018	15,165	92,100	14,463
BAT Saudia for Trading – Saudi Arabia	–	17,510	65,435	82,945	61,314
BAT Arabia for Trading – Saudi Arabia	–	820	45,279	46,099	33,396
BAT M.E Trading – UAE	–	13,221	–	13,221	18,173
BAT Kazakhstan Ltd. – Kazakhstan	10,804	–	–	10,804	–
BAT International DMCC. – U.A.E	8,377	–	–	8,377	–
RHQ BAT Middle East, – Saudi Arabia	7,834	–	–	7,834	–
BAT (Singapore) Pte Ltd – Singapore	7,793	–	–	7,793	–
BAT (Holdings) Limited – UK	6,042	–	–	6,042	–
Ceylon Tobacco Co. Ltd – SriLanka	–	–	4,873	4,873	4,555
RAI Services Co. – USA	2,445	–	–	2,445	–
BAT Bangladesh Co. Limited – Bangladesh	–	–	1,148	1,148	1,141
BAT Jordan Ltd – Jordan	791	–	–	791	–
BAT Kenya – Kenya	–	–	424	424	–
BAT South Pty Limited – Australia	381	–	–	381	–
JSC JV UZBAT A.O – Uzbekistan	–	110	–	110	–
BAT SAA Service (Private) Ltd. – Pakistan	–	–	–	–	259,998
BAT Japan Limited – Japan	–	–	–	–	28,308
BAT South Africa S.A – South Africa	–	–	–	–	10,458
Fielder & Lundgren AB – Sweden	–	–	–	–	1,993
	404,506	694,959	4,613,096	5,712,561	3,614,648

**25.2.1** The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs. 5,712,561 thousand (2024: Rs. 3,614,648 thousand).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>26 Cash and cash equivalents</b>		
Deposit account – note 26.1	3,988	3,834
Current accounts:		
Local currency	505,027	10,049,173
Foreign currency	4,593,626	3,249,747
Short term running finance	(3,407,773)	–
Cash and cash equivalents	1,694,868	13,302,754
<b>26.1</b> These are security deposits being kept in separate bank account.		
<b>27 Trade and other payables</b>		
Related parties – unsecured:		
Due to holding company / associated companies – note 27.2	873,657	1,152,679
Management provident fund	5,617	–
Employees' provident fund	4,176	–
Others:		
Creditors and accrued liabilities	18,619,126	13,044,942
Federal excise duty – note 27.4	6,894,513	6,468,635
Sales tax	1,886,517	4,159,117
Workers' welfare fund – note 27.8	1,161,637	1,104,906
Other accrued liabilities	500,691	527,637
Employee incentive schemes – note 27.6	239,181	114,333
Tobacco excise duty / tobacco development cess – note 27.5	448,689	409,572
Security deposits – note 27.7	3,834	3,834
Contract liabilities – note 27.1 & note 27.3	1,565,691	1,910,113
	32,203,329	28,895,768

**27.1** Contract liabilities amounting to Rs. 1,460,808 thousand (2024: Rs. 1,802,891 thousand) relates to unsecured export advances received from related parties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>27.2</b> The amount due to holding company / associated companies comprises:		
Holding company:		
BAT (Investments) Ltd – UK	102,970	67,077
Associated companies:		
BAT M.E DMCC – UAE	63,904	148,145
BAT Exports Limited – UK	212,164	204,049
BASS GSD Ltd. – UK	104,937	10,804
PT Bentoel Prima – Indonesia	104,878	728
BAT Holdings Ltd., UK	25,451	67,588
BAT Souza Cruz S.A – Brazil	67,660	58,691
BAT Kuwait for Wholesale – Kuwait	–	6,517
BAT Nicoventures Trading Ltd – UK	53,065	39,482
BAT Korea Manufacturing – South Korea	48,999	32,680
BAT Saudia for Trading, Saudi Arabia	13,723	12,703
BAT Australia Ltd – Australia	23,834	21,999
BAT Singapore (Pte) Ltd – Singapore	19,918	27,660
BAT Aspac Service Centre BHD Sdn – Malaysia	17,366	9,053
BAT Bangladesh Co. Limited – Bangladesh	7,343	19,301
BAT GSD (KL) SDN BHD – Malaysia	4,867	4,479
BAT Tutun Mamulleri – Turkey	1,815	1,681
BAT GLP Ltd – UK	–	370,199
BAT Romania Investments Ltd – Romania	623	559
Tabacalera Hondurena S.A – Honduras	140	139
BAT Asia Pacific Ltd – HongKong	–	49,145
	873,657	1,152,679
<b>27.3</b> The amount related to unsecured export advances.		
BAT (GLP) Ltd., U.K	1,719	–
BAT Saudia for Trading, Saudia	23,290	63,161
BAT Exports Limited, U.K	466,830	600,868
BAT ME DMCC., UAE	782,492	657,307
BAT M.E for Trading, U.A.E	50,224	–
BAT M.E S.P.C., Bahrain	30,793	34,770
BAT Gulf for Trading LLC., Qatar	15,478	35,151
BAT Jordan Limited, Jordan	16,648	62,364
BAT Kuwait Whole Sale, Kuwait	65,460	84,008
BAT Kenya Tobacco, Kenya	7,874	–
BAT Nicoventures Trading Ltd – UK	–	265,262
	1,460,808	1,802,891

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>27.4 Federal excise duty</b>		
Balance at 01 January	6,468,635	4,357,304
Charged during the year	177,963,705	179,481,016
Payment to the Government during the year	(177,537,827)	(177,369,685)
Balance at 31 December	6,894,513	6,468,635
<b>27.5 Tobacco excise duty / tobacco development cess:</b>		
Balance at 01 January	409,572	141,731
Charge for the year	1,411,490	934,424
Payment during the year	(1,372,373)	(666,583)
Balance at 31 December	448,689	409,572

### 27.6 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.

	2025 Rs. '000	2024 Rs. '000
<b>Restricted Share Plan (RSP) – note 27.6.1</b>		
Balance at 01 January	43,381	26,704
Charge for the year	113,184	32,499
Share options exercised	(10,315)	(15,822)
Balance at 31 December	146,250	43,381
<b>Deferred Share Bonus Scheme (DSBS) – note 27.6.2</b>		
Balance at 01 January	70,952	64,143
Charge for the year	74,975	49,055
Share options exercised	(52,996)	(42,246)
Balance at 31 December	92,931	70,952
	239,181	114,333

#### 27.6.1 Restricted Share Plan (RSP)

Details of the options movement for cash-settled RSP scheme during the year were as follows:

	2025 Rs. '000	2024 Rs. '000
	<b>Number of options</b>	
	Number of options	
Outstanding at 01 January	9,659	5,115
Granted during the year	7,937	6,429
Exercised during the year	(1,537)	(1,885)
Outstanding at 31 December	16,059	9,659

There are no exercisable options at 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 27.6.2 Deferred Share Bonus Scheme (DSBS)

Details of the options movement for cash-settled DSBS scheme during the year were as follows:

	2025	2024
	Number of options	
Outstanding at 01 January	11,673	13,916
Granted during the year	1,967	2,790
Exercised during the year	(4,718)	(5,033)
Outstanding at 31 December	8,922	11,673

There are no exercisable options at 31 December 2025.

**27.7** 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.

	2025	2024
	Rs. '000	
<b>27.8</b> Movement in Workers' Welfare Fund is as follows:		
Balance at 01 January	1,104,906	1,103,156
Charged during the year	1,161,637	1,104,906
Prior year WWF reversal	(10,208)	(181,974)
Payment during the year	(1,094,698)	(921,182)
Balance at 31 December	1,161,637	1,104,906

### 28 Other liabilities

This relates to provision for employee benefits and litigation. During the year, the Company has utilized amounts aggregating to Rs. 1,036 million (2024: Rs. 612 million) for the payment of employee benefits.

This also includes Rs. 2,018 million (2024: Rs. 544 million) recognized in connection with restructuring initiatives undertaken as part of the Company's strategic transformation programs. During the year, the Company recorded a net increase of Rs. 1,474 million (2024: Rs. 544 million)."

### 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. 17,000 million (2024: Rs. 18,000 million), out of which the amount unavailed at the year end was Rs. 13,592 million (2024: Rs. 18,000 million). These facilities are secured by hypothecation of stock in trade and plant and machinery amounting to Rs. 20,002 million (2024: Rs. 20,002 million). The mark-up ranges between 11.27% and 13.45% (2024: 13.40% and 22.54%) per annum and is payable quarterly. The facilities are renewable on annual basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

**(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. 21,900 million (2024: Rs. 22,500 million) and Rs. 5,000 million (2024: 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. 3,686 million (2024: Rs. 5,240 million) and Rs. 1,343 million (2024: Rs. 1,230 million). The letter of credit and guarantee facility is secured by ranking hypothecation charge over stock-in-trade amounting to Rs. 1,833 million (2024: Rs. 1,833 million).

**30 Lease liabilities**

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. 4,391,589 thousand – short term Rs. 569,898 thousand and long term Rs. 3,821,691 thousand (December 31, 2024: Rs. 3,881,394 thousand – short term Rs. 719,693 thousand and long term Rs. 3,161,701 thousand) and are payable in equal monthly installments latest by December 2030. Taxes, repairs, replacement and insurance costs are to be borne by the Group. Financing rates of 11% to 23% (December 31, 2024: 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. 499,950 thousand (2024: Rs. 925,030 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:

	2025 Rs. '000	2024 Rs. '000
Present value of minimum lease payments	4,391,589	3,881,394
Current maturity shown under current liabilities	(569,898)	(719,693)
	3,821,691	3,161,701
Future minimum lease payments		
Not later than one year	865,643	1,069,671
Later than one year	7,724,524	7,214,473
Interest	8,590,167 (4,198,578)	8,284,144 (4,402,750)
Present value of minimum lease payments	4,391,589	3,881,394
Present value of minimum lease payments		
Not later than one year	569,898	719,693
Later than one year	3,821,691	3,161,701
	4,391,589	3,881,394

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>31 Deferred income tax liabilities</b>		
Deferred tax liability is in respect of:		
Accelerated tax depreciation	3,164,202	2,900,694
Leased assets	189,789	226,667
	3,353,991	3,127,361
Deferred tax asset is in respect of:		
Remeasurement loss arising on employees' retirement benefit	(145,052)	(227,885)
Provisions	(1,535,250)	(408,607)
	1,673,689	2,490,869
The gross movement on deferred income tax account is as follows:		
At 01 January	2,490,869	2,095,119
(Credit) / charge for the year – statement of profit or loss – note 17	(900,012)	237,647
Charge for the year – statement of comprehensive income	82,832	158,103
At 31 December	1,673,689	2,490,869

### 32 Employees' 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.

	2025 Rs. '000	2024 Rs. '000
Staff pension fund	(488,211)	(472,426)
Employees' gratuity fund	(95,001)	264,892
Balance at 31 December	(583,212)	(207,534)

The latest actuarial valuation of the defined benefit plans was conducted at 31 December 2025 using the projected unit credit method. Details of the defined benefit plans are:

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(a) The amounts recognised in the statement of financial position:</b>				
Present value of defined benefit obligations	10,208,366	8,896,358	2,704,756	2,411,728
Fair value of plan assets	(10,696,577)	(9,368,784)	(2,799,757)	(2,146,836)
Net (asset) / liability	(488,211)	(472,426)	(95,001)	264,892

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(b) Movement in the (asset) / liability recognized in the statement of financial position is as follows:</b>				
Balance at 01 January	(472,426)	100,284	264,892	263,159
(Credit) / charge for the year – profit or loss	(13,650)	45,194	203,641	134,571
Employer's contribution during the year	162,882	(168,245)	(516,160)	(177,105)
Benefits paid by the Company	–	–	–	–
Remeasurement (gain) / loss recognized in Other Comprehensive Income (OCI) during the year	(165,017)	(449,659)	(47,374)	44,267
Balance at 31 December	(488,211)	(472,426)	(95,001)	264,892
<b>(c) The amounts recognised in the statement of profit or loss:</b>				
Current service cost	56,112	41,774	206,941	122,317
Interest cost	1,103,439	1,124,316	303,750	307,646
Expected return on plan assets	(1,160,961)	(1,109,418)	(273,428)	(268,941)
Net interest	(57,522)	14,898	30,322	38,705
Members' own contribution	(12,240)	(11,478)	–	–
Secondees' own contribution	(18,901)	(15,508)	–	–
Past service cost	–	–	–	–
Contribution by employer in respect of secondees	18,901	15,508	(33,622)	(26,451)
	(13,650)	45,194	203,641	134,571
<b>(d) Re-measurements recognised in Other Comprehensive Income (OCI) during the year:</b>				
Actuarial loss on obligation	633,956	869,320	150,005	183,756
Net return on plan assets over interest income	(798,973)	(1,318,979)	(197,379)	(139,489)
Total remeasurements (gain) / loss recognised in OCI	(165,017)	(449,659)	(47,374)	44,267
<b>(e) Movement in the present value of defined benefit obligation:</b>				
Present value of defined benefit obligation at 01 January	8,896,358	7,244,549	2,411,729	1,936,282
Current service cost	56,112	41,774	206,941	122,317
Interest cost	1,103,439	1,124,316	303,750	307,646
Actual benefits paid during the year	(481,499)	(383,601)	(367,668)	(138,273)
Remeasurements: Actuarial loss on obligation	633,956	869,320	150,005	183,756
Present value of defined benefit obligation at 31 December	10,208,366	8,896,358	2,704,757	2,411,728

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(f) Movement in the fair value of plan assets:</b>				
Fair value of plan assets at 01 January	9,368,784	7,144,265	2,146,836	1,673,122
Interest income	1,160,961	1,109,418	273,428	268,941
Contribution by employer in respect of members	(162,882)	168,245	516,160	177,106
Members' own contribution	12,240	11,478	–	–
Secondees' own contribution	18,901	15,508	–	–
Contribution by employer in respect of secondees	(18,901)	(15,508)	33,622	26,451
Actual benefits paid during the year	(481,499)	(383,601)	(367,668)	(138,273)
Return on plan assets, excluding amounts included in interest income	798,973	1,318,979	197,379	139,489
Fair value of plan assets at 31 December	10,696,577	9,368,784	2,799,757	2,146,836
Actual return on plan assets	1,950,302	2,220,574	531,019	535,549

The Company expects to credit Rs 10 million for pension plan and charge Rs 142 million for gratuity plan for the year ending December 31, 2026.

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>(g) The major categories of plan assets:</b>				
Investment in listed equities	2,878,574	2,466,812	792,025	614,980
Investment in bonds	7,559,935	6,665,325	1,926,330	1,505,158
Cash and other assets	258,068	236,647	81,402	26,698
	10,696,577	9,368,784	2,799,757	2,146,836
<b>(h) Significant actuarial assumptions at the statement of financial position date:</b>				
Discount rate	11.75%	12.75%	11.75%	12.75%
Pension increase rate	7.75%	8.25%	–	–
Expected rate of increase in salary				
First year	10.75%	10.75%	10.75%	10.75%
Second year onwards	10.75%	10.75%	10.75%	10.75%

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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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	
	1 percent increase Rs. '000	1 percent decrease Rs. '000	1 percent increase Rs. '000	1 percent decrease Rs. '000
Discount rate	(1,164,925)	1,440,510	(206,055)	235,759
Salary increase	77,644	(72,371)	242,375	(215,216)
Increase in post retirement pension	1,390,542	(1,139,680)	-	-

If life expectancy increases by 1 year, the obligation of the pension fund increases by Rs 580,475 thousand (2024: 539,990 thousand).

### Expected maturity profile

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

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Weighted average duration of the PBO (Years)	11.41	11.09	12.31	7.77

### 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 CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Defined Benefit Pension Plan		Defined Benefit Gratuity Plan	
	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
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>2025</b>	10,208,366	(488,211)	2,704,757	(95,001)
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

**32.1** Salaries, wages and benefits as appearing in note 10, 11 and 12 include amounts in respect of the following:

	2025 Rs. '000	2024 Rs. '000
Defined contribution provident fund	164,835	136,658
Defined benefit pension fund	(13,650)	45,194
Defined contribution pension fund	306,528	243,877
Defined benefit gratuity fund	203,641	134,571
	661,354	560,300

### 32.2 Defined contribution plan

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

	Un-audited	Un-audited
<b>(a) Size of the fund – total assets</b>	2,624,154	2,078,911
Cost of investments made	2,009,982	1,748,026
Percentage of investments made	77%	84%
Fair value of investments made	2,446,899	2,024,068

	2025		2024	
	Rs. '000	% age	Rs. '000	% age
<b>(b) Breakup of investments at cost</b>				
Treasury bills	607,285	23.14	387,936	18.66
Pakistan investment bonds	448,661	17.10	462,879	22.27
Investment plus deposit certificates	319,250	12.17	319,250	15.36
Investment in savings account with bank	46,173	1.76	67,603	3.25
Investment in securities	217,293	8.28	207,141	9.96
Accrued interest	371,320	14.15	303,217	14.59
	2,009,982	76.60	1,748,026	84.08

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 33 Share capital

### 33.1 Authorized share capital

	2025	2024		2025	2024
	Number of shares			Rs. '000	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

	2025	2024		2025	2024
	Number of shares			Rs. '000	Rs. '000
	230,357,068	230,357,068	Issued for cash	2,303,571	2,303,571
	25,136,724	25,136,724	Issued as 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 (2024: 241,045,141) ordinary shares at the year-end and 10,274 (2024:10,274) and 798,282 (2024:798,282) 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

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:

	2025	2024
	Rs. '000	Rs. '000
Balance at 01 January	8,923,501	4,042,204
Liabilities rescinded		
– Royalty	–	856,228
– Information Technology related services received and exempted recharged	3,013,694	4,025,069
Balance at 31 December	11,937,195	8,923,501

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>35 Contingencies and commitments</b>		
<b>35.1 Contingencies</b>		
<b>Claims and guarantees</b>		
(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	1,343,000	1,229,900
(iii) Post dated cheque 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 Company 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, 2025 were Rs. 3,686,248 thousand (2024: Rs. 5,239,845 thousand).

## 36 Financial instruments – Fair values and risk management

### 36.1 Accounting classification and fair value

The following table shows 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	December 31, 2025			Fair value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		Rs. '000			Rs. '000		
<b>Financial assets measured at fair value</b>							
Long term deposits	20	44,114	-	44,114	-	-	44,114
<b>Financial assets not measured at fair value</b>							
Trade debts	23	-	2,650	2,650	-	-	-
Other receivables	25	-	5,286,502	5,286,502	-	-	-
Cash and bank balances	26	-	1,694,868	1,694,868	-	-	-
		44,114	6,984,020	7,028,134	-	-	44,114
<b>Financial liabilities measured at fair value</b>							
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	27	-	(19,997,335)	(19,997,335)	-	-	-
Other liabilities	28	-	(4,764,532)	(4,764,532)	-	-	-
Lease liabilities	30	-	(4,391,589)	(4,391,589)	-	-	-
Unpaid dividend		-	(164,725)	(164,725)	-	-	-
Unclaimed dividend		-	(178,355)	(178,355)	-	-	-
		-	(29,496,536)	(29,496,536)	-	-	-

	Note	December 31, 2024			Fair value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		Rs. '000			Rs. '000		
<b>Financial assets measured at fair value</b>							
Long term deposits	20	27,895	-	27,895	-	-	27,895
<b>Financial assets not measured at fair value</b>							
Trade debts	23	-	3,364	3,364	-	-	-
Other receivables	25	-	3,057,120	3,057,120	-	-	-
Cash and bank balances	26	-	13,302,754	13,302,754	-	-	-
		27,895	16,363,238	16,391,133	-	-	27,895
<b>Financial liabilities measured at fair value</b>							
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	27	-	(14,729,119)	(14,729,119)	-	-	-
Other liabilities	28	-	(2,741,079)	(2,741,079)	-	-	-
Lease liabilities	30	-	(3,881,394)	(3,881,394)	-	-	-
Unpaid dividend		-	(142,980)	(142,980)	-	-	-
Unclaimed dividend		-	(133,968)	(133,968)	-	-	-
		-	(21,628,540)	(21,628,540)	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 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.

#### 36.2.2 Credit 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. 7,028 million (2024: Rs. 16,391 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 agency	2025 Rs. '000	2024 Rs. '000
	Short term	Long term			
Cash at bank:					
Standard Chartered Bank	A-1+	AAA	PACRA	2,929,253	4,164,155
MCB Bank Ltd	A-1+	AAA	PACRA	1,648,325	4,065,485
Deutsche Bank AG	A-1	A	S&P	217,427	2,181,632
Habib Bank Ltd	A-1+	AAA	VIS	3,676	1,644,829
MCB Islamic Bank	A-1	A+	PACRA	300,897	322,194
Habib Metropolitan Bank Ltd	A-1+	AA+	PACRA	168	259,806
Bank Alfalah Limited	A-1+	AAA	PACRA	284	253,070
Soneri Bank Limited	A-1+	AA-	PACRA	1,190	206,001
United Bank Limited	A-1+	AAA	VIS	510	200,453
Citibank N.A.	P-1	Aa3	Moody's	454	3,500
National Bank of Pakistan	A1+	AAA	PACRA	457	1,629
				5,102,641	13,302,754

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

At 31 December maximum exposure to credit risk for financial assets by geographic was as follows:

	Carrying amount	
	2025 Rs. '000	2024 Rs. '000
Pakistan	1,769,758	13,036,483
United Kingdom	1,348,857	225,211
Asia & other	3,909,520	3,129,439
	7,028,135	16,391,133

At 31 December the ageing of financial assets was as follows:

	Carrying amount	
	2025 Rs. '000	2024 Rs. '000
Not due	1,769,758	12,776,485
1-30 days	404,506	2,770,217
31-90 days	694,959	18,868
90 days	4,158,912	825,563
	7,028,135	16,391,133

### 36.2.3 Liquidity 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 Rs. '000	Contractual cash flows		
		Total Rs. '000	12 months or less Rs. '000	1 to 5 years Rs. '000
<b>31 December 2025</b>				
<b>Financial liabilities</b>				
Trade and other payables	19,997,335	(19,997,335)	(19,997,335)	–
Other liabilities	4,764,532	(4,764,532)	(4,764,532)	–
Lease liabilities	4,391,589	(4,391,589)	(569,898)	(3,821,691)
Unpaid dividend	164,725	(164,725)	(164,725)	–
Unclaimed dividend	178,355	(178,355)	(178,355)	–
	29,496,536	(29,496,536)	(25,674,845)	(3,821,691)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Carrying amount Rs. '000	Contractual cash flows		
		Total Rs. '000	12 months or less Rs. '000	1 to 5 years Rs. '000
<b>31 December 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	14,729,119	(14,729,119)	(14,729,119)	–
Other liabilities	2,741,079	(2,741,079)	(2,741,079)	–
Lease liabilities	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)	–
	21,628,540	(21,628,540)	(18,466,839)	(3,161,701)

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

### 36.2.4 Market 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:

	December 31, 2025			December 31, 2024		
	Euro	Sterling	US dollars	Euro	Sterling	US dollars
Other receivables	79,868	11,291,198	–	69,599	8,114,569	–
Cash and bank balances	–	–	16,404,344	–	–	11,673,990
Trade and other payables	(883,471)	(1,156,364)	(7,168,079)	(3,443,448)	(2,003,747)	(19,067,300)
Net exposure	(803,603)	10,134,834	9,236,265	(3,373,849)	6,110,822	(7,393,310)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
Euro 1	317.97	301.45	328.88	288.26
Sterling 1	370.92	356.10	376.65	348.64
US dollar 1	281.15	278.60	280.03	278.38

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Profit or loss		Equity, net of tax	
	Strengthening Rs. '000	Weakening Rs. '000	Strengthening Rs. '000	Weakening Rs. '000
<b>31 December 2025</b>				
Euro	26,429	(26,429)	18,764	(18,764)
Sterling	(381,726)	381,726	(271,026)	271,026
US dollar	(258,638)	258,638	(183,633)	183,633
<b>31 December 2024</b>				
Euro	97,254	(97,254)	69,050	(69,050)
Sterling	(213,046)	213,046	(151,262)	151,262
US dollar	205,811	(205,811)	146,126	(146,126)

### 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. 4,391,589 thousand (2024: Rs. 3,881,394 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. 43.916 million (2024: Rs. 38.814 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			
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Managerial remuneration	126,193	174,383	109,992	52,717	237,981	272,781	1,831,297	1,328,275	2,305,463	1,828,156
Corporate bonus	77,121	54,245	131,941	60,693	196,262	158,637	620,327	462,603	1,025,651	736,178
Leave fare assistance	3,034	2,908	7,953	5,576	19,945	27,973	-	-	30,932	36,457
Housing and utilities	36,223	33,727	31,479	22,002	77,275	78,508	743,149	555,809	888,126	690,046
Medical expenses	-	-	5,675	3,200	11,023	8,948	150,415	102,331	167,113	114,479
Post employment benefits	3,560	3,486	20,381	16,004	51,428	47,398	486,204	397,089	561,573	463,977
	246,131	268,749	307,421	160,192	593,914	594,245	3,831,392	2,846,107	4,978,858	3,869,293
Number of persons	1	1	2	2	10	12	534	424	547	439

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**37.2** The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to nine (2024: nine) non-executive directors of the Group amounted to Rs. 34,280 thousand (2024: Rs. 15,319 thousand).

### 38 Transactions with related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (2024: 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 25 and 27 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.

	2025 Rs. '000	2024 Rs. '000
Procurement of goods and services from:		
Holding company	–	61,235
Associated companies	1,133,409	204,896
Sale of goods to:		
Holding company	–	3,323
Associated companies	6,692,660	7,400,335
Dividend declared:		
Holding company	36,158,271	30,131,893
Associated company	119,742	99,785
Royalty charged by:		
Associated company	–	(856,228)
Expenses reimbursed to:		
Holding company	27,017	6,495
Associated companies	443,467	(6,624)
Expenses reimbursed by:		
Holding company	130,487	82,631
Associated companies	1,786,934	493,480
Payment under employee incentive schemes:		
Key management personnel	63,311	58,068
Expenses waived off during the year		
Associated company	3,013,694	4,881,297

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

**38.1** Following are the name 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	Aggregate % of Basis of relationship	shareholding
Retirement benefit funds:		
Pension Funds	Post employment benefits	Nil
Provident Funds	Post employment benefits	Nil
Gratuity Funds	Post employment benefits	Nil
Nasir Mahmood Khan Khosa	Director	0.000196%
Syed Ali Akbar	Director	0.000978%
Ahad Khan	Director	0.000978%
Syed Asad Ali Shah	Director	0.000196%
Wael Sabra	Director	0.000196%
Usman Zahur	Director	0.000196%
Asif Jooma	Director	0.000196%
M.Sualeh Ahmed Faruqui	Director	0.000196%
Lt. Gen (Rtd.) Najib Ullah Khan	Director	0.000196%
Faisal Saif	Director	0.000196%
Gary Tarrant	Director	0.000196%
Mona Iskandarani	Director	0.000196%
Sami Zaman	Key management personnel	Nil
Uzair Qazi	Key management personnel	Nil
Faiza Imtiaz	Key management personnel	Nil
Peter Lahoud	Key management personnel	Nil
Shabab Ali	Key management personnel	Nil
Bushra Rahman	Key management personnel	Nil
Muhammad Ali	Key management personnel	Nil
Mustafa Sherdil	Key management personnel	Nil
Imad Ud-din Muhammad	Key management personnel	Nil

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

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 (Parent)	94.34%	United Kingdom
BAT Rothmans International	Fellow Subsidiary	0.31%	United Kingdom
BAT Exports Limited	Fellow Subsidiary	0.00%	United Kingdom
Ceylon Tobacco Company PLC	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 South Pty Ltd	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%	Switzerland
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 Pecci Dohanygyar KFT	Fellow Subsidiary	0.00%	Hungary
British American Tobacco Kenya Ltd	Fellow Subsidiary	0.00%	Kenya
BAT Kenya Tobacco Company 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
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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

Associated company	Basis of relationship	Aggregate % of Shareholding	Country of Incorporation
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%	USA
British American Tobacco South Africa (Pty) Ltd.	Fellow Subsidiary	0.00%	South Africa
British American Tobacco ME DMCC	Fellow Subsidiary	0.00%	U.A.E
BAT Middle East for Trading	Fellow Subsidiary	0.00%	U.A.E
BAT International DMCC	Fellow Subsidiary	0.00%	U.A.E
BAT Saudia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
BAT Arabia for Trading	Fellow Subsidiary	0.00%	Saudi Arabia
RHQ BAT Middle East	Fellow Subsidiary	0.00%	Saudi Arabia
BAT GCC DMCC	Fellow Subsidiary	0.00%	U.A.E
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
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%	USA
Solomon Islands Tobacco Co. Ltd.	Fellow Subsidiary	0.00%	Solomon Islands
BAT Trieste S.p.A.	Fellow Subsidiary	0.00%	Italy
BAT Kuwait for Whole sale and Retail	Fellow Subsidiary	0.00%	Kuwait
JSC JV Uzbek A.O	Fellow Subsidiary	0.00%	Uzbekistan
BAT Kazakhstan Ltd.	Fellow Subsidiary	0.00%	Kazakhstan
British American Tobacco (Cambodia)	Fellow Subsidiary	0.00%	Cambodia

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

### 39 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 Rs. '000	Effect of reclassification Rs. '000	As restated Rs. '000
<b>December 31, 2025</b>			
<b>Statement of Financial Position</b>			
<b>Non current assets</b>			
Employees' retirement benefits	–	472,426	472,426
<b>Current Assets</b>			
Other receivables	4,751,340	(472,426)	4,278,914
Loans and advances	273,629	634,360	907,989
<b>Current Liabilities</b>			
Trade and other payables	28,526,327	369,468	28,895,795
<b>Non Current liabilities</b>			
Employees' retirement benefits	–	264,892	264,892

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.

	2025 Rs. '000	2024 Rs. '000
<b>40 Cash generated from operations</b>		
<b>Profit before taxation</b>	51,115,623	49,499,561
<b>Adjustment for non-cash items:</b>		
– Depreciation / impairment	2,884,895	2,245,033
– Gain on disposal of property, plant and equipment	(327,537)	(218,074)
– Loss on lease retirement	119,730	–
– Finance cost	821,657	850,989
– Finance income	(1,845,221)	(6,325,660)
– Foreign exchange loss	–	423,549
– Provision for stock-in-trade	(15,646)	742,503
– Provision for staff retirement benefit plans	661,354	560,300
– Information technology cost	3,013,694	2,767,019
	5,312,926	1,045,659

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	2025 Rs. '000	2024 Rs. '000
<b>Changes in working capital:</b>		
– Stock-in-trade	(4,868,983)	(2,596,305)
– Stores and spares	(40,119)	(78,562)
– Trade debts	227,308	2,684,357
– Loans and advances	296,843	372,790
– Short term prepayments	55,371	(56,683)
– Other receivables	(3,252,057)	(1,205,357)
– Trade and other payables	3,349,788	(8,780,338)
– Other liabilities	2,023,453	651,889
	(2,208,396)	(9,008,209)
Changes in long term deposits	(16,219)	14,500
	54,203,934	41,551,511

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

	Liabilities			Total
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance at January 1, 2025</b>	276,948	3,881,394	–	4,158,342
<b>Changes from financing cash flows:</b>				
Finance Lease payments	–	–	–	–
Additions during the year	–	(1,868,289)	(3,407,773)	(5,276,062)
Dividend paid	(38,257,937)	–	–	(38,257,937)
Total changes from financing cash flows	(38,257,937)	(1,868,289)	(3,407,773)	(43,533,999)
<b>Other changes:</b>				
New leases	–	1,828,055	–	1,828,055
Retirements	–	(152,391)	–	(152,391)
Interest charge	–	702,820	–	702,820
Dividend declared	38,324,068	–	–	38,324,068
Total equity-related other changes	–	–	–	–
<b>Balance at December 31, 2025</b>	343,079	4,391,589	(3,407,773)	1,326,895

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2025

	Liabilities			Total
	Unclaimed / Unpaid Dividend	Lease liability	Short term running finance / export refinance	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance at January 1, 2024</b>	8,246,241	3,422,042	-	11,668,283
<b>Changes from financing cash flows:</b>				
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)
<b>Other changes:</b>				
New leases	-	1,686,841	-	1,686,841
Retirements	-	(200,403)	-	(200,403)
Interest charge	-	756,404	-	756,404
Dividend declared	31,936,724	-	-	31,936,724
Total equity-related other changes	-	-	-	-
<b>Balance at December 31, 2024</b>	276,948	3,881,394	-	4,158,342

#### 42 Events after the reporting date

In respect of the year ended 31 December, 2025 final dividend of Rs. Nil (2024: Rs. nil) per share amounting to a total dividend of Rs. Nil (2024: Rs. nil) has been proposed at the Board of Directors meeting held on February 26, 2026. These financial statements do not reflect this proposed dividend.

#### 43 General

##### 43.1 Date of authorization for issue

These consolidated financial statements have been authorized for circulation to the shareholders by the Board of Directors of the Group on February 26, 2026.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# PATTERN OF SHAREHOLDING

As at December 31, 2025

No. of Shareholders	Categories				Total Shares
2,321	From	1	To	100	64,974
1,339	From	101	To	500	373,033
429	From	501	To	1,000	312,044
333	From	1,001	To	5,000	740,919
57	From	5,001	To	10,000	403,322
14	From	10,001	To	15,000	165,805
10	From	15,001	To	20,000	174,720
14	From	20,001	To	25,000	327,524
4	From	25,001	To	30,000	108,098
6	From	30,001	To	35,000	199,806
1	From	35,001	To	40,000	37,000
3	From	40,001	To	45,000	123,237
3	From	45,001	To	50,000	148,800
2	From	50,001	To	55,000	102,865
3	From	55,001	To	60,000	170,390
3	From	60,001	To	65,000	186,161
2	From	75,001	To	80,000	157,897
1	From	80,001	To	85,000	85,000
2	From	90,001	To	95,000	187,425
3	From	95,001	To	100,000	300,000
1	From	100,001	To	105,000	103,207
1	From	120,001	To	125,000	125,000
1	From	130,001	To	135,000	134,806
1	From	150,001	To	155,000	155,000
3	From	165,001	To	170,000	501,278
1	From	175,001	To	180,000	176,426
1	From	180,001	To	185,000	185,000
1	From	195,001	To	200,000	200,000
1	From	245,001	To	250,000	250,000
1	From	290,001	To	295,000	290,280
1	From	325,001	To	330,000	330,000
1	From	405,001	To	410,000	405,752
1	From	435,001	To	440,000	439,480
1	From	515,001	To	520,000	519,305
1	From	620,001	To	625,000	625,000
1	From	795,001	To	800,000	798,282
1	From	1,120,001	To	1,125,000	1,120,310
1	From	1,750,001	To	1,755,000	1,750,873
1	From	1,965,001	To	1,970,000	1,969,632
1	From	241,045,001	To	241,050,000	241,045,141
4,572					255,493,792

# PATTERN OF SHAREHOLDING

## As at December 31, 2025

	<b>No. of Shares</b>
Associated Companies, Undertakings and Related Parties	241,843,423
NIT and ICP	515
Directors, CEO and their spouse and minor children	10,095
Executives	179
Banks, Development Finance Institutions, Non-Banking	
Finance Institutions, Insurance companies, Modaraba and Mutual Funds	7,777,944
Individuals	4,086,687
Others	1,774,949
	<b>255,493,792</b>

<b>Categories of Shareholders</b>	<b>Number</b>	<b>Shares Held</b>	<b>%</b>
Directors, CEO and their spouse and minor children	12	10,095	0.0
Associated Companies, Undertakings and Related Parties	2	241,843,423	94.7
Investment Companies	1	515	0.0
Modarabas & Mutual Funds	21	3,148,740	1.2
Insurance Companies		6	1,685,066
0.7			
Banks, Development and other Financial Institutions	14	2,944,138	1.2
Individuals	4,428	4,086,866	1.6
Others	88	1,774,949	0.7
<b>Total</b>	<b>4,572</b>	<b>255,493,792</b>	<b>100.0</b>

	<b>No. of Shares</b>
<b>Associated Companies, Undertakings and Related Parties</b>	
British American Tobacco (Investments) Limited	241,045,141
Rothmans International	798,282
<b>NIT and ICP (name wise details)</b>	
National Bank of Pakistan	515
<b>Directors, CEO and their spouse and minor children (name wise details)</b>	
Nasir Mahmood Khan Khosa	565
Syed Ali Akbar	2,500
Syed Asad Ali Shah	500
Ahad Bilal Khan	2,510
Usman Zahur	500
Wael Sabra	500
Faisal Saif	500
Asif Jooma	500
M.Sualeh Ahmed Faruqui	510
Lt. Gen. Najib Ullah Khan (R)	500
Mona Iskandarani	510
Gary Tarrant	500
<b>Shareholders holding 10% or more voting interest</b>	
British American Tobacco (Investments) Limited	241,045,141

## ڈائریکٹرز کیلئے ترجیحی پروگرام

پی ٹی سی نے ڈائریکٹرز کی تربیت سے متعلق قابل اطلاق ریگولٹری تقاضوں کی مکمل تعمیل کو یقینی بنایا ہے۔ نصف سے زائد ڈائریکٹرز نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے منظور شدہ ڈائریکٹرز ریٹیک پروگرام (DTP) کے تحت اسناد حاصل کر لی ہیں۔

## گزشتہ سال کا اجلاس عام

کئینی کا 78 واں سالانہ اجلاس عام (AGM) ستمبر 24 پر 2025 کو منعقد ہوا۔ تمام شیئرز ہولڈرز بشمول آجینی شیئرز ہولڈرز کو پیشگی اطلاع کے ساتھ اجلاس کے وقت اور تمام کے بارے میں وضاحت نامے کیسے گئے۔ سالانہ اجلاس عام کے انعقاد کے لیے اعلیٰ معیاری اور آرام دہ انتظامات کیے گئے تاکہ کئینی کے شیئرز ہولڈرز کو سہولت فراہم کی جاسکے۔

اجلاس کے دوران، شیئرز ہولڈرز اور سرمایہ کاروں نے شائع شدہ مالیاتی گوشواروں اور غیر قانونی تجارت کے اثرات پر عمومی مباحثہ طلب کیے۔ اجلاس میں کوئی مسئلہ کیسے نہیں اٹھا آیا۔

## آؤٹریز

31 دسمبر 2025 کو ختم ہونے والے مالی سال کا کئینی کے لیے قانونی آؤٹ مکمل کر لیا گیا ہے اور آؤٹریز کے کئینی کے مالیاتی گوشواروں، رقم شدہ مالیاتی گوشواروں اور گورننگ آف کارپوریشن کے مطابق ہونے کے جان پر اپنی آؤٹ ریپورٹس جاری کر دی ہیں۔ آؤٹریز، سمرز کے پی ایم سی ڈی ایچ ہائیڈرو پاور کو سالانہ اجلاس عام کے اختتام پر بتا کر جاری کیے اور انہوں نے پی ٹی سی کے آؤٹریز کے طور پر اپنی خدمات جاری رکھنے کیلئے رضامندی کا اظہار کیا ہے۔ انہوں نے تصدیق کی ہے کہ انہیں انسٹیٹیوٹ آف چارٹڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے اعلیٰ معیار کا پیشہ ورانہ معیار حاصل ہونے والا ہے اور وہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ساتھ اطلاق کے رہنما اصولوں، جیسا کہ ICAP نے اپنانے کی تعمیل کرتے ہیں۔ بورڈ آؤٹ کئینی کی سفارشات پر 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے لیے ان کی اگلا آؤٹ تقرری کی تجویز پیش کرتا ہے۔

یہ 28 اپریل 2026 کو منعقد ہونے والے کئینی کے اجلاس میں شیئرز ہولڈرز کی منظوری سے شروع ہوئی۔

## شیئرز ہولڈنگز کا بیڑن

عامری ہولڈنگز کئینی، برٹش امریکن ٹوبیکو (ایچ بی ٹی) (BAT-IL)، جو کہ برطانیہ میں رجسٹرڈ ہے، سال کے اختتام پر کئینی کے 94.34% شیئرز کی مالک ہے۔ باقی شیئرز ہولڈنگز مسٹک کئینی مختلف اداروں اور عام عوام میں تقسیم ہے۔ 31 دسمبر 2025 تک شیئرز ہولڈنگز کا بیڑن ٹوڈا آف کارپوریشن گورننس کے تحت کاروباریاتی کے ساتھ ساتھ سالانہ رپورٹ میں ملحدہ سے فراہم کر دیا گیا ہے۔

## ڈائریکٹرز اور ایگزیکٹوز کی جانب سے شیئرز کی خرید و فروخت

ڈائریکٹرز، چیف ایگزیکٹو آفسر، چیف فنانس ایگزیکٹو آفسر، کئینی کے برائے اور ان کے شریک حیات اور نااہل بچوں نے کئینی کے شیئرز میں کسی بھی قسم کی خرید و فروخت نہیں کی ہے۔

## BCM جائزہ

پی ٹی سی اس حقیقت کو بخوبی تسلیم کرتی ہے کہ کسی بھی غیر متوقع طبعی حادثے یا دیگر صورتحال کے دوران کئینی کے آپریشنز کو مؤثر طریقے سے جاری رکھنے کے لیے بزنس کئینی ٹی جینٹ (BCM) ڈیزائن ہے۔ اس مقصد کے حصول کے لیے، پی ٹی سی نے بین الاقوامی معیارات کے مابین مطابقت ایک جامع بزنس کئینی ٹی جینٹ سسٹم نافذ کر رکھا ہے، جو ادارے کو اور قابل معیاری فراہم کرتا ہے:

- کسی بھی ممکنہ طبعی صورتحال کے لیے پہلے سے منصوبہ بندی اور پیشگی تیاری کرنا؛
- کسی بھی ناخوشگوار واقعے کی صورت میں فوری اور سزاوارتی کارروائی عمل میں لانا؛
- بحالی صورتحال سے مؤثر طریقے سے نمٹنے کے لیے درست معلومات اور ماہرین کو بروئے کار رکھنا؛
- معمولات زندگی یا بزنس (BAU) کو جلد از جلد بحال کرنا تاکہ کسی بھی قسم کے عملی اثرات کو کم سے کم کیا جاسکے۔

سال 2025 کے دوران، کئینی کو بولنے کی پینلٹی کا سامنا کرنا پڑا جن میں پاک بھارت سرحدی کلیدی دستہ میں کیبل پراجیکٹ سے جڑے راستوں کی بندش اور غیر معمولی صون سوان بارشوں کے نتیجے میں آنے والا شدید سیلاب شامل تھا۔ ان تمام حالات میں پی ٹی سی کی سیکورٹی ٹیم نے غیر معمولی مستعدی اور جہاد کا مظاہرہ کیا۔ ٹیم نے فوری طور پر خطرات کا اندازہ لگا دیا اور ایسے حفاظتی اقدامات نافذ کیے جن کی بدولت بنگالی صورتحال میں جہاد کارروائی کے وقت میں نمایاں بہتری آئی اور آپریشنز کا بڑوں کے اثرات کو کم سے کم کیا جاسکا۔

جولائی 2025 میں سرحدی کلیدی کے دوران کئینی کے اڈوں کے قحط اور بیجا اداری اور ایجنٹ عمل کے تسلسل کو برقرار رکھنے کے لیے فوری طور پر بنگالی پروڈکٹ کو فعال کر دیا گیا تھا۔ اس طرح سال کے آخر میں ٹی ایل پی (TLP) کے احتجاجی مظاہروں کے دوران، بنگالی ٹیموں کو انتہائی مستعدی کے ساتھ تصفیعات کیا گیا اور سہولتی جینس کے آپریشنز کو جلا قحط جاری رکھنے کے لیے متبادل راستوں کی تلاش عملی پر کامیابی سے عمل درآمد کیا گیا۔

پاکستان بھر میں وبہشت گردی کے بڑھتے ہوئے خطرات کے پیش نظر، کئینی نے خطرات کے جائزے کے عمل کو وسیع سخت کر دیا ہے۔ سیکورٹی کی اس غیر معمولی صورتحال میں اپنے جازمین اڈوں اور آپریشنز کے قحط کے لیے اضافی حفاظتی مکتبہ عملیات متعارف کرائی گئی ہیں تاکہ کسی بھی ناخوشگوار واقعے کے اثرات سے محفوظ رہا جاسکے۔

کئینی کی اعلیٰ قیادت نے سال بھر کے دوران BCM کے تحت کیے گئے اقدامات کو بے حد سراہا ہے۔ قیادت نے ان کوششوں کو ورس حکمت عملی، منظم جاری اور آپریشنل کارکردگی کی بہترین مثال قرار دیا ہے۔ ان اقدامات نے مجموعی طور پر کئینی کی صلاحیت کو مضبوط بنانے میں کلیدی کردار ادا کیا ہے۔

  
 Nazir Mahmood Khan  
 ڈائریکٹر جنرل  
 ایگزیکٹو ای سی او

  
 Nazir Mahmood Khan  
 ڈائریکٹر جنرل  
 ایگزیکٹو ای سی او



### یورڈ کی تشکیل

یورڈ کل 12 ڈائریکٹرز پر مشتمل ہے جن میں 4 آزاد ڈائریکٹرز، 5 نان ایگزیکٹو ڈائریکٹرز اور 3 ایگزیکٹو ڈائریکٹرز شامل ہیں۔ یورڈ کی موجودہ تشکیل درج ذیل ہے:

ڈائریکٹرز کی تعداد اور نام	
11	سرور ڈائریکٹرز
1	خواجہ تمین ڈائریکٹرز
4	آزاد ڈائریکٹرز
	مسٹر ناصر محمود خان کھوسو (چیئر مین)
	لیڈی ٹینٹ ہزل (رینا ڈا) نجیب اللہ خان
	مسٹر ایلم صالح احمد روتی
	مسٹر اصغر جونا
5	نان ایگزیکٹو ڈائریکٹرز
	مسٹر حسان کھور
	مسٹر مہر مہنا اسکندرائی
	مسٹر گیری لیونٹ
	مسٹر وائل ہرا
	مسٹر فیصل سیف
3	ایگزیکٹو ڈائریکٹرز
	سیّد علی اکبر
	سیّد اسد علی شاہ
	مسٹر اصدا خان

رنگہ لیڈری شراکتہ کے مطابق، یورڈ میں خواجہ تمین کی کارآمدگی موجود ہے۔

یورڈ کی کارکردگی اس کے ارکان کی متوقع تجربے، بصیرت اور مہارتوں کی وجہ سے مزید موثر ہوتی ہے۔ ارکان مالیاتی معاملات میں وضع عمل رکھتے ہیں جو ان کے پیشہ ورانہ، تعلیمی اور جین الاقوامی تجربے کا نتیجہ ہے۔ پی ٹی سی یورڈ آف ڈائریکٹرز کی تشکیل اور قابلیت سے متعلق تمام رنگہ لیڈری شراکتہ پر عمل چلا ہے۔

ڈائریکٹرز کے نام، حیثیت (آزاد، ایگزیکٹو، نان ایگزیکٹو)، صنعت کا تجربہ اور دیگر کنٹینٹوں میں ڈائریکٹرز شپ پر مشتمل تفصیلی پروفائلز سماجی ذمہ داریت میں ملحدہ فراہم کی گئی ہیں۔

ڈائریکٹرز شپ کی حیثیت (آزاد، ایگزیکٹو، نان ایگزیکٹو) کوڈ آف کارپورٹ گورننس کی تشکیل کے بیان میں بھی درج ہے۔

### یورڈ میں تبدیلیاں

یورڈ میں درج ذیل تبدیلیاں عمل میں آئی ہیں:

1. شہر محمود نے ریٹائرمنٹ اختیار کی، جس کے بعد مورچہ 24-04-2025 سے ایلم صالح احمد روتی کو ان کی جگہ تعینات کیا گیا۔

II. شہر وائل ہرا نے ریٹائرمنٹ اختیار کی، جس کے بعد مورچہ 24-04-2025 سے عثمان لہور کو ان کی جگہ تعینات کیا گیا۔

III. گیری لیونٹ نے ریٹائرمنٹ اختیار کی، جس کے بعد مورچہ 24-04-2025 سے مسٹر مہنا اسکندرائی کو ان کی جگہ تعینات کیا گیا۔

IV. سیّد محمد علی اکبر نے ریٹائرمنٹ اختیار کی، جس کے بعد مورچہ 24-04-2025 سے اصدا خان کو ان کی جگہ تعینات کیا گیا۔

V. طاہرہ اجوائے روتی مستعفی ہوئیں، جس کے بعد مورچہ 03-09-2025 سے گیری لیونٹ کو ان کی جگہ تعینات کیا گیا۔

### یورڈ کے اجلاس

سرور ڈیگنیٹری فریم ورک کے تحت، یورڈ قانوناً پابند ہے کہ وہ ہر سال اپنی تمام اہم ایک اجلاس منعقد کرنے تاکہ شمولیت، استحباب اور کھپٹی کی کارکردگی کی نگرانی کو یقینی بنایا جاسکے۔ علاوہ ازیں، سالانہ ہر مئی، اگست، ستمبر اور دسمبر میں اجلاس منعقد کیے جاتے ہیں۔ سال 2025 میں یورڈ کے سات (7) اجلاس منعقد ہوئے، جن میں سے پہلا اجلاس 28 فروری 2025 کو منعقد کیا گیا۔

اجلاسوں کی فہرست بعد ان کے اجلاس سے بروقت اور یقینی اور سال کیلئے کے اور تمام اجلاس قوانین کی مکمل قبیل کی گئی۔ سال کے دوران منعقد ہونے والے تمام یورڈ اجلاسوں میں حاضری کی مطلوبہ کم از کم حد، جیسا کہ قواعد میں درج ہے، کی قبیل کی گئی۔ کھپٹی نگرانی، یورڈ کے نگرانی کے طور پر خدمات فراہم کرتا ہے۔ اجلاسوں میں کیے گئے تمام فیصلے واضح طور پر اجلاس کے منٹس میں درج کیے گئے، جو کھپٹی نگرانی کے طور پر کیے گئے، اور انہیں تمام ڈائریکٹرز کو اسکھری کے لیے ارسال کیا گیا۔ منٹس بعد میں منعقد ہونے والے یورڈ اجلاسوں میں اضافہ طور پر منظور کر لیا گیا۔

نمبران	حاضری
2/7	مسٹر شہر محمود
7/7	ماہانہ اجلاس میں (24-04-2025 کو منعقد ہوئے)
7/7	مسٹر ناصر محمود خان کھوسو
6/7	چیئر مین
7/7	سیّد علی اکبر
7/7	لیڈی ٹینٹ ہزل (رینا ڈا) نجیب اللہ خان
7/7	سیّد اسد علی شاہ
2/7	ڈائریکٹرز ٹرانس پارٹنرز (مورچہ 3)
2/7	سیّد محمد علی اکبر
4/7	ڈائریکٹرز ٹرانس پارٹنرز (سیّد علی اکبر)
4/7	مسٹر اصدا خان
4/7	ڈائریکٹرز ٹرانس پارٹنرز (سیّد علی اکبر)
4/7	مسٹر طاہرہ اجوائے روتی
4/7	نان ایگزیکٹو ڈائریکٹرز (30-09-2025 کو تشکیل دی گئی)
6/7	مسٹر وائل ہرا
3/7	نان ایگزیکٹو ڈائریکٹرز
3/7	مسٹر حسان کھور
3/7	نان ایگزیکٹو ڈائریکٹرز

کئی مارکیٹ کی طلب میں متواضعانے کے لیے عمل طور پر تیار ہے اور ریگولری تبدیلیوں کے مطابق سینٹر پیچھے رکھتا ہے۔

ساتھی کئی اپنے اصول صحت اور سٹیبلٹی (EH&S) کے نظام کو مضبوط بنانے کے لیے جدید آلات، نظام اور عمل میں سرمایہ کاری جاری رکھے ہوئے ہے، تاکہ کم خطرہ اور مضامین کے مطابق ورکنگ، اصول سٹیبلٹی بنایا جاسکے۔

### ماحولیاتی، سماجی اور گورننس (ESG)

ماحولیاتی، سماجی اور گورننس بی بی سی کی کارپوریٹ حکمت عملی کا بنیادی جزو ہے، جو پائیدار ترقی اور ذمہ دار کاروباری طرز عمل کے مزہم کا مظہر ہے۔ کئی کم خطرہ سے اعلیٰ مصنوعات کی طرف منتقلی کا عمل جاری رکھے ہوئے ہے تاکہ اپنے کاروبار کے صحت پر اثرات کو کم سے کم کیا جاسکے، جبکہ ان مصنوعات میں فعال سرمایہ کاری کر رہی ہے جو کام کرنے والی کمپیوٹری ترقی اور ضرورتی کیلئے اہم ہیں۔

ایک مضبوط بنیاد کے ساتھ بی بی سی اپنے ESG اقدامات کے اندر کاروبار و صحت دینے کے لیے پوزیشن ہے تاکہ پائیدار اور سہ کاروباری طرز عمل میں اپنی اپنی توجہ کو مزید منظم کر سکے۔

### انسانی وسائل پر سرمایہ کاری اور پراعتماد مستقبل

مستقبل کی جانب دیکھتے ہوئے بی بی سی مضبوط پوزیشن میں ہے۔ جاز ترین قیادت کے فریم ورک نے ٹیلنٹ اسٹریٹجی کو مزید منظم کیا ہے، جانچ پڑتال و باہر کے ایجنٹوں سے اور کئی طاقت پر مسلسل توجہ کے ساتھ ادارے کو ابھرتے ہوئے ٹیلنٹ کا سرمایہ کے ساتھ سامنا کرنے کے قابل بنایا ہے۔ ڈیجیٹل ٹرانزیشن سماجی اور جدید انسانی وسائل کے طریقوں میں سرمایہ کاری نے بی بی سی کو بطور ایک ٹرانزیشنل ایجنڈا مزید لایا جا رہا ہے جہاں ایک متحرک، حوصلہ مند اور ہمت مند افرادی قوت کام کرے جو کئی کئی سالوں کے لیے تیار ہو۔

میں یہ واضح ہے کہ ہماری بہتر کی حکمت عملی درست ہے اور جن بنیادوں پر ہم قبضہ کر رہے ہیں وہ مضبوط ہیں۔ ہم اپنی اس نیت میں واضح ہیں کہ اپنے کاروبار کو سیکورٹی سے آگے لے جائیں، بائیں جانب تباہی کو پیش نظر رکھتے ہوئے منتقلی کر کے Smokeless مصنوعات جیسے VELO کی جانب لائیں اور غیر قانونی دھوکے سے منتقلی مصنوعات کے صارفین کو اپنی قانونی مصنوعات کی طرف راغب کریں۔

ہم فعال طور پر اسٹیٹ ہولڈرز کے ساتھ رابطے میں ہیں اور سائنس، صحت اور سماج میں ہماری سرمایہ کاری کر رہے ہیں تاکہ درستی کے ساتھ مل کر کام کیا جاسکے اور اعلیٰ معیار کی خوبیوں والی ترقی حاصل کی جاسکے، عمل پائیداری اور دیانت داری کے ساتھ۔ ہمارا انفرادی مشن سفر جاری ہے، اور ہم ایک ایسا ادارہ ہیں جو آپریشن، ایکسیٹنس اور ہنر سہاہہ پیش کرنے کی صلاحیت کے ساتھ تمام اسٹیٹ ہولڈرز کے مفادات کے لیے نتیجہ فراہم کرنے کے لیے تیار ہے۔ بی بی سی کا مستقبل روشن ہے۔ ہورڈ آف ڈائریکٹرز اس مثبت تبدیلی اور اس صلاحیت کے حوالے سے بے جوش ہیں، جو ہمارے پاس ایک جہت میں سے پاس دینا کی تشکیل اور A Better Tomorrow™ کے حصول کے لیے موجود ہے۔

### کارپوریٹ گورننس

#### کارپوریٹ گورننس کے تقاضوں کی پاسداری

ڈائریکٹرز تصدیق کرتے ہیں کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے گائیڈ لائنز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (سی کوڈ آف کارپوریٹ گورننس) کے تحت درج ذیل نکات کے مطابق کارپوریٹ گورننس اور فیصلہ رچاؤ کے فریم ورک کی عمل پاسداری کی گئی ہے۔

کئی کی مالیاتی صورت حال، کاروباری نتائج، پیش گوئی اور ان کی بنی میں تبدیلیاں، انکوائری کے تیار کردہ مالیاتی گوشواروں میں درست طور پر پیش کی گئی ہیں۔

کئی کے اکاؤنٹس کی بنیاد میں مناسب طور پر قرار دیا گیا ہے۔

مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل نافذ کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات واقعات اور متحول فیصلوں پر مبنی ہیں۔

پاکستان میں بائیں اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی مالیاتی گوشواروں کی تیاری میں بی بی سی اور ان کے کوئی انحراف ہوا ہوا اسے واضح طور پر نکاہا اور مناسب طور پر اس کی وضاحت کی گئی ہے۔

داخلی کنٹرول کا نظام مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور نگرانی کی جا رہی ہے۔

کئی کا بطور ادارہ کام کرنے کی صلاحیت کے حوالے سے کوئی شک و شبہ نہیں ہے۔

کوڈ آف کارپوریٹ گورننس اور اسٹاک ریگولیشنز میں بیان کردہ بہترین طرز عمل سے کوئی انحراف نہیں کیا گیا ہے۔

کاروباری سرگرمیوں کے دوران قابل اعلیٰ تمام اہم منگوتی مصنوعات، جو 31 دسمبر 2025 تک واجب الادا ہے، مالیاتی گوشواروں کے نوٹس میں ظاہر کر دیے گئے ہیں۔

کئی کی سالانہ رپورٹ میں گزشتہ چھ سالوں کے اہم آپریشن اور مالیاتی اعداد و شمار کا خلاصہ ملحد سے پیش کر دیا گیا ہے۔

سال 31 دسمبر 2025 کے اختتام پر ملازمین کے ریٹائرمنٹ فنڈ میں سرمایہ کاری کی پالیسی درج ذیل ہے۔ مزید تفصیلات مالیاتی گوشواروں کے نوٹ 33 میں فراہم کئے گئے ہیں۔

روپے (ملین میں)	
10,548	غائب پینشن فنڈ
2,822	ملازمین کا گریجویٹ فنڈ
1,658	پینشن پروویڈنٹ فنڈ
789	ملازمین کا پروویڈنٹ فنڈ
2,650	تعمیر کردہ سکسٹی پینشن فنڈ

## درجہ شہنشاہ اور داخلی کنٹرول

ہرگز دستہ شہنشاہی فراہم کرنے کے ساتھ ساتھ ایک مضبوط داخلی کنٹرول سسٹم کو یقینی بنانے سے نکلنے پر عمل درآمدات کے بروقت تدارک پر بھی توجہ دینا ہے۔ پی ٹی سی کا درجہ شہنشاہ فریم ورک شیئر ہولڈرز کے مفادات اور کھلی کے اہلوں کے حقوق کیلئے ترتیب دیا گیا ہے۔ جس میں کاروباری اہداف کو متاثر کرنے والے طفرات سے غلطیوں کو دیکھیں ترجیح دیا جاتی ہے۔

صارف کو اپنی ملکیت عملی کے مرکز میں رکھتے ہوئے کھلی ایک مضبوط اور پرکشش برادری پر توجہ دینا اور برقرار رکھنے کی خواہش ہے جو نمایاں، مسابقتی اور مسلسل قیادت کے لیے سوزوں ہو۔ اس ملکیت عملی کے موثر نفاذ کے ذریعے کھلی قانونی مارکیٹ میں اپنی برتری برقرار رکھتے اور مجموعی صنعت میں اپنے مارکیٹ شیئر کی بحالی کو یقین کرنے کے لیے مضبوط پوزیشن قائم ہے۔

## غیر ملکی کرنسی تک مناسب رسائی کو برقرار رکھنا

آئی ایم ایف کے ایکٹو ڈائریکٹریٹیو (EFF) اور دوست ممالک کی جانب سے جاری معاہدات کے نتیجے میں پاکستان کے ذریعہ ممالک کے ساتھ میں بہتری کے باوجود، غیر ملکی کرنسی کی لیکویٹی کا انتظام کھلی کے لیے ایک اہم ترین ہے۔ اگرچہ اسٹیٹ بینک آف پاکستان نے گرت اکانٹ سرطاس اور مارکیٹ لیکویٹی میں بہتری فراہم کی ہے۔ کھلی اس بات کو یقینی بنانے کے لیے مسلسل مستعد ہے کہ تمام غیر ملکی کرنسی ادائیگت بروقت اور آزادانہ طور پر ادا کیے جائیں۔ بین الاقوامی شیئر ہولڈرز کو یقین دہانی بر وقت ترسیل سرمایہ کاروں کے ساتھ اور کھلی کے طویل المدتی مالی احکام کے لیے معاہدات اہم ہے۔

ایک معزز گورننس ڈال، جو واضح پالیسیوں اور مضبوط برادری کے گھر سے حرج ہے۔ نئے ایک معزز گورننس کے ماحول کو فروغ دینا ہے۔ ڈپارٹمنٹ کے سربراہان عالی سطح پر وضع کردہ اہم کنٹرول کا باقاعدگی سے جائزہ لینے اور کسی بھی عدم تعمیل یا کوتاہی کی صورت میں فوری طور پر گورننس کمیٹی کو رپورٹ کیا جاتا ہے اور ساتھ ہی اصلاحی اقدامات کے منصوبہ بھی پیش کیے جاتے ہیں۔

کھلی سرٹیزیا-آکسیڈینٹ 2002 (SOX) کی عمل پائیداری کرتی ہے، جو مالی شفافیت اور پائیداری کے لیے اس کے ماحول کو اجاگر کرتا ہے۔ مزید برآں، تمام ملازمین سے سالانہ ہذا ہوا میں کھلی کے اسٹیٹرز، ڈائریکٹرز آف بزنس کنسلٹ کی پائیداری کی تصدیق کر دینی جاتی ہے، تاکہ پورے ادارے میں اخلاقیات، دیانت داری اور قانون کی پائیداری کا گہرا برقرار ہے۔

صحت پاکستان نے آئی سی اے ایف اور سی ایف سی (SIFC) اور وزارت خزانہ کے ذریعے سینٹرل بینکنگ ایکٹ کو معیشت کے احکام کے ایک اہم ستون کے طور پر سہولت کرنے کے ماحول کو اجاگر کیا ہے۔ 2025 کے لیے اہم ترین بین الاقوامی شیئر ہولڈرز کو یقین دہانی بر وقت اور کھلی کو یقینی بنانا ہے، جو سرمایہ کاروں کے ساتھ کی بحالی اور برادری راست غیر ملکی سرمایہ کاری کے فروغ میں اہم کردار ادا کرے گا۔ پی ٹی سی کے لیے شفافیت اور مسلسل کو برقرار رکھنا BAT گروپ اور عالمی اسٹیٹ ہولڈرز کے ساتھ قائم رکھنے کے لیے انتہائی اہم ہے۔

## مستقبل کا آغاز عمل

مستقبل کی طرف دیکھتے ہوئے ہم اندازہ لگاتے ہیں کہ 2028 میں صحت کو مشکلات کا سامنا ہوگا۔ تاہم باہمی باصلاحیت افرادی قوت، مضبوط برادری پر توجہ اور مقامی مارکیٹ کی گہری سمجھ بوجھ کے ساتھ ہم مشکلات کا سامنا کرنے اور انہیں کامیابی سے عبور کرنے کے لیے پوری طرح تیار ہیں۔ واضح تر معاشی ادا کے علاوہ ہم مقامی تیار کو صنعت کو پیش نظر پیش نظر، جسے ہمیں کی بلند سطح اور قانون کے ساتھ کھلی کو عمل کرنے پر بھی توجہ مرکوز رکھیں گے۔ اپنی کارپوریٹ صحت عملی پر کاربندہ کرکھلی پائیدار ترقی کے لیے اہم اہداف کو ترجیح دے کر مضبوط کاروباری نتائج فراہم کرنے کے لیے پرعزم ہے۔

دریں اثناء، کھلی حکومت کے اس واضح ایجنڈے کی معاہدات جاری رکھے ہوئے ہے جس کا مقصد نفس بنیاد کو صحت دینا ہے، خصوصاً ایک ایڈولٹس سسٹم کے عمل اور موثر نفاذ کے ذریعے، جو ایک مضبوط اور شفاف آپریٹنگ ماحول کے قیام کے لیے کلیدی اہمیت رکھتا ہے۔

## موثر وسائل کی تقسیم اور لاگت کے انتظام کا فروغ

کھلی ایک ایسے ماحول میں اپنی سرگرمیاں جاری رکھے ہوئے ہے جو مسلسل مہنگائی کے دباؤ سے متاثر ہے۔ انتظامی آپریٹنگ کارکردگی کے تحفظ اور شیئر ہولڈرز کے لیے پائیدار قدر کی فراہمی کو یقینی بنانے کے لیے موثر اور نفاذ معیار مہیوں کے بروقت نفاذ پر عمل توجہ مرکوز رکھے ہوئے ہے۔ مقامی کرنسی پر دباؤ برقرار رہنے اور تعمیل مدت میں اس کے معزز ہونے کے ساتھ ادائیگت کے باعث، این پی لاگت میں اضافے اور آپریٹنگ مارکیٹ پر دباؤ کا امکان ہے۔ اس تناظر میں گروپ ورکنگ کھلی میں کمی کے ذریعے لیکویٹی کو بہتر بنانے اور جاری کاروباری ضروریات کو پورا کرنے پر توجہ مرکوز رکھے ہوئے ہے۔ ان چیلنجز کے باوجود، انتظامی مہنگائی کے دباؤ کو موثر انداز میں کم کرنے کے لیے عملی طور پر مستعد اور تیار ہے، جس کا گزشتہ برسوں میں کامیابی کے ساتھ ثابت کیا جا چکا ہے۔

## ترقی کے ایجنڈا کی تعمیل

کھلی کا بنیادی مقصد اپنے شیئر ہولڈرز کے لیے پائیدار اور طویل المدتی ترقی کا حصول برقرار رکھنا ہے۔ ایک معزز اور مستقل طور پر نفاذ شدہ گورننس ماحول قانونی انڈسٹری پیٹرنز کی ترقی کا تحفظ کے لیے تیار ہے، تاکہ کھلی محصولات کا تسلسل بھی یقینی بنایا جاسکے۔ اسی مقصد کے تحت، کھلی مختلف حکام کے ساتھ ترقی نشاؤون جاری رکھے گی تاکہ ایک ایڈولٹس سسٹم کے عمل اور موثر نفاذ کی معاہدات کی جاسکے اور اسے پورے پاکستان میں نفاذ کو مضبوط بنانے کے ایک بنیادی ستون کے طور پر استعمال کیا جائے۔

## آپریٹنگ اور سینٹرل بینکنگ کی استعداد میں اضافہ

کھلی ملکیت عملی کے تحت ایسی پوزیشن میں ہے جہاں کارکن سرمایہ کاروں کے ذریعے آپریٹنگ اور سینٹرل بینکنگ کا کارکردگی کو مزید بہتر بنایا جاسکتا ہے۔ IWS سرٹیفیکیشن کی بنیاد پر انتظامی آپریٹنگ ایکسیلس اور مملکت کام کے گھر کو فروغ دینے کے لیے پرعزم ہے، جس میں جدید آلات کی تعمیر اور شیئر کی بہتری پر خصوصی توجہ دی جارہی ہے۔ ان اقدامات سے کارکردگی، قابل اعتماد حکام اور کام کی دہشت میں بہتری کی توقع ہے، جبکہ یہ معزز میں مصنوعات کی مدت کو بھی فروغ دے گی۔

مستقبل کی جانب دیکھتے ہوئے، کھلی اپنی صارف بنیاد کی تعمیر نو اور مارکیٹ شیئر کو بڑھانے پر توجہ مرکوز رکھے ہوئے ہے، جس کے لیے موجودہ برادری کی ایک نئی کو مزید مضبوط بنایا جا رہا ہے اور تمام آپریٹنگ شیئوں میں بائغ صارفین کی ترجیحات کے مطابق پورٹ فولیو میں بہتری لائی جا رہی ہے۔ ان اقدامات کو اہداف اور اعداد و شمار پر مبنی مہمات کے ذریعے عملی جامہ پہنایا جائے گا، جو صارفین تک موثر انداز میں پہنچ کر برادری نمایاں موجودگی اور گنجشٹ میں اضافہ کریں گی۔

پوری دلچسپی میں بیٹھ اور کارکردگی میں نمایاں بہتری آئی ہے۔ مزید برآں پی ٹی سی کی گرین لیف قریباً (GLT) سہولت BAT گروپ میں رکھی ہے جس نے ہیکٹر ہڈ ورک سسٹم (IWS) کے تحت فیروز سرٹیفیکیشن حاصل کیا، جو کہ بیورو پیٹرولنگ کے میدان میں اس کی مہارت کا ثبوت ہے۔

پی ٹی سی تباہی کے معیارات کو کم کرنے کے اپنے ایجنڈا کے تحت مجسم سائنٹ پرائیکٹ صوموسی ہیکٹری چھوڑی ہے، جہاں تباہی کو سے پاک اور لکھنؤ میں پانچویں تیار کیے جاتے ہیں۔ یہ ہیکٹری BAT گروپ کے لائبریری ٹیک اور مشرق وسطیٰ کے نئے میں اپنی لومیت کی مکمل سہولت ہے۔ یہ ہیکٹری مقامی اور عالمی سطح پر مصنوعات فراہم کر کے پی ٹی سی کو ایک اہم برآمدی مرکز بناتی ہے۔

سال کے دوران کئی نئے لیف انویسٹمنٹس کی اپنی تاریخ کی بلند ترین سطح بھی حاصل کی، جس سے صرف BAT گروپ کے لیے نمایاں قدرتی پیداہوئی بلکہ ملک کے لیے زرمبادلہ کے حصول میں بھی اہم کردار ادا ہوا۔

سال 2025 میں کئی نئے اپنے پائیدار ترقی اور ماحولیاتی تحفظ کے ایجنڈے کو مزید آگے بڑھاتے ہوئے محدود ترین اقدامات کا آغاز کیا، خاص طور پر 5.9 میگا واٹ کے سولر پاور پلانٹ کی تنصیب سے قافلہ چھوڑنے والی کے ذریعے 2,500 ٹن سے زائد کاربن (CO2) کے اخراج میں کمی ممکن ہوئی۔ یہ BAT گروپ کا سب سے بڑا سولر انرجی پارک ہے۔ مزید برآں، DigiChill کے تحت 3 لے توانی کے استعمال کی مائیکرو گریڈ اور جیو پے کو Level 4 granularity تک چھوڑ دیا ہے، جس سے ڈیٹا سنٹر توانی کی بچت اور پائیداری کے نتائج میں مزید بہتری آئی ہے۔

پی ٹی سی اپنی انویسٹمنٹس اور سٹریٹجی کے سٹرکچر پر تیز کرتے ہوئے محدود اقدامات حصارف کرداری ہے، جن میں "Ultimate Control Tower" کے ذریعے آپریشن، مینٹیننس اور ریکوری ٹیم کا کارکردگی کی نگرانی کو بہتر بنانا اور پائیدار سٹریٹجی ٹیک ایڈوانسمنٹ (PMD) میں ڈیٹا کی آپریشن کا آغاز شامل ہے۔ اس کے ساتھ ساتھ، کئی نئے اپنے براڈ ریڈ کی باقی ہوئی مقامی اور بین الاقوامی طلب کو پورا کرنے کے لیے بیورو پیٹرولنگ مصلحت میں اضافہ کیا، جس کے تحت ڈارن اور مل مصنوعات کے لیے ایک نئی پروڈکشن لائن کا آغاز کیا گیا، جو کئی کے سٹرکچر ترقیاتی اہداف کو مزید محکم کرتا ہے۔

کئی نیا پراجیکٹس BAT کے دیگر اداروں کا پی ٹی سی کے بیورو پیٹرولنگ کی مہم میں شامل ہونے کا کردار ادا کرتی ہے۔ سال 2025 میں، کئی نئے بیورو پیٹرولنگ اور سٹریٹجی کے ایجنڈے کے تحت IWS کے خلاف اپنی قیادت کا دائرہ کار وسیع کر دیا ہے۔ پی ٹی سی اپنی داخلی تحقیقی استعداد کو مضبوط بنا کر، اصل آلات ساز اداروں (OEMs) پر انحصار کم کر کے، اور بہترین کاروباری طریقوں کو اپنا کر پورے BAT گروپ میں پائیدار کارکردگی اور ڈیٹا میں بچت کے عمل کو فروغ دے رہی ہے۔

### ماحولیاتی، سماجی اور گورننس (ESG) کا جائزہ

ڈیٹا، ادارت اور پائیدار کاروباری طریقوں کے حزم کو جاری رکھتے ہوئے، پی ٹی سی نے سال 2025 کے دوران اپنے ماحولیاتی، سماجی اور گورننس (ESG) ایجنڈے کو مزید محکم کیا۔ کئی ماحولیاتی تحفظ پر اپنی توجہ مرکوز رکھے ہوئے ہے، جسے قافلہ چھوڑنے والی اور سماجی کی مجموعی کارکردگی میں مسلسل سرمایہ کاری کے ذریعے ہم پر مہارت فراہم کی گئی۔

سال کے دوران، پی ٹی سی کی آئن سائنٹ قافلہ چھوڑنے والی کی گواہی 47% تک پہنچی گئی، جس سے 108,328 میگا جول (G.J) کثافت توانی پیدا ہوئی اور کاربن (CO2) کے اخراج میں 62% کی داغ بیل ہوئی۔ یہ کوششیں اپنے ماحولیاتی اثرات کو کم کرنے اور طویل مدتی موسمیاتی استحکام کو بہتر بنانے کے لیے کئی کی مسلسل جدوجہد کی عکاسی کرتی ہیں۔

پانی کا تحفظ پی ٹی سی کی پائیدار حکمت عملی کا مرکزی محور رہا۔ سال 2025 میں، کئی نئے اپنے آپریٹرز میں استعمال ہونے والے پانی کا 51% صحتی سائیکل کیا اور AWS سرٹیفیکیشن کے تقاضوں کی مکمل پاسداری کو برقرار رکھا۔

پی ٹی سی نے اپنے فلک شپ مہم کا بیورو پیٹرولنگ کو مزید آگے بڑھاتے ہوئے سال کے دوران 30 لاکھ سے زائد پورے تقسیم اور فراہم کیے۔ یہ اقدام پاکستان میں ماحولیاتی بحالی کی وسیع تر کوششوں، بالخصوص ملک کو ریجنل موسمیاتی چیلنجز کے کاغذ میں ایک اہم کردار ادا کر رہا ہے۔

سٹیٹیس میں پی ٹی سی نے سولہ سائز انویسٹمنٹ پروگرام کے ذریعے کیونٹی کی صحت اور تھراپی، بیورو کے حزم کو مزید مضبوط کیا۔ سال 2025 میں اس اقدام کے ذریعے 145,000 سے زائد مریضوں کو صحت مند بنایا اور صحت اور ایڈیویشن فراہم کی گئیں۔ ان پراجیکٹس نے مومن سون کے پیاب کے دوران بجلی امداد فراہم کرنے میں بھی اہم کردار ادا کیا۔

دور اتنا دو علاقوں میں پینے کے صاف پانی تک محدود ماحولیاتی کے تحفظ سے ملنے کے لیے کئی نئے 28 واٹر فلٹریشن پلانٹس کے سلسلے آپریشن کو چھوڑ دیا، جو روزانہ 20,000 لیٹر تک صاف پانی فراہم کر رہے ہیں۔

ان سرگرمیوں اور سماجی اقدامات کے ذریعے، پی ٹی سی نے ایک ڈیڈ وئڈ کارپوریشن کے طور پر اپنی مثبتیت کو مزید محکم کیا، اور پائیداری کو اپنے بنیادی آپریٹرز اور کئی کے ساتھ روابط کا لازمی حصہ بنایا۔ کئی اپنے ESG ترجیحات کو اس اعزاز میں آگے بڑھانے کے لیے پرعزم ہے جس سے تمام اسٹیک ہولڈرز کو مشترکہ کام کو چھوڑ دیا گیا۔ زیادہ پائیدار اور محکم سٹریٹجی کی تعمیر میں مدد ملے۔

### بازرگاہ کا جائزہ

2025 کے دوران، پی ٹی سی نے سٹریٹجی کو چھوڑ کر نئے ہونے جہت اور پورٹ فولیو میں بہتری کے ذریعے اپنی کامیابی مثبتیت برقرار رکھی اور جو اس کے کارکردگی کی بہت سے سٹریٹجی کی قوت خرید پر مسلسل وابستہ موجود تھا، سرحد پار مثبتیت کی اور حالیہ برسوں کے شدید ترین سیلابی موسم کے باعث پیدا ہونے والی غیر معمولی رکاوٹوں کے باوجود پی ٹی سی نے کاروباری مسلسل کو چھوڑ دیا، کارکردگی تک سٹریٹجی کو برزے کارکردگی کو اپنی مثبتیت قیادت کو برقرار رکھتے ہوئے مثالی کارکردگی کا مظاہرہ کیا۔

ہمارا ٹیک شپ برانڈ Capstan by Pail Mall، ماری کامیابی کا سبب بنیاد اور 20% اور بیکس کی فروخت کے ساتھ اس نے اپنی کامیابی مثبتیت کو ایک بار پھر ثابت کیا۔ ایک وقت، کئی نے اپنی ترقی مثبتیت محکم کی کو مزید تیز کرتے ہوئے اہم سٹریٹجی میں کامیابی برانڈ لائی کرنے کا سلسلہ جاری رکھا، جس نے مارکیٹ میں پی ٹی سی کی ساتھ ایک جہت پرندہ کئی کے طور پر مزید محکم کیا۔

پی ٹی سی کی برانڈ ٹیک اور ڈیٹا مارکیٹ کی بہتری پر توجہ مرکوز ہے، جسے کئی نے اپنی بیورو پیٹرولنگ میں اپنی بیورو کی بلند ترین مارکیٹ شیئر 80.3% (+0.1 pp vs SPLY) حاصل کیا۔ اس کارکردگی نے قانونی مارکیٹ میں پی ٹی سی کی قیادت کو مزید محکم کیا۔

کئی کا تحقیقی ٹی ٹیک پیٹرولنگ کے طور پر بننے کا سٹرکچر حزم میں مسلسل مثبت نتائج دے رہا ہے۔ اس کی نمایاں مثال VELO™ کی مضبوط کارکردگی ہے، جس نے 2025 میں گزشتہ سال کے مقابلے میں 11.4% ڈیٹا کو کم کر کے حاصل کی، جبکہ 50 لاکھ سے زائد سٹریٹجی کے ساتھ دنیا کے سب سے بڑے ٹیک پیٹرولنگ میں قائم کیا۔

فروری آپریشن ایک مشہور گورننس فریم ورک کے تحت انجام دینے جاتے ہیں، جس میں واضح طور پر طے شدہ پالیسی، طریقہ کار اور فریق حلف کی مالی حدود شامل ہیں۔ ان کنٹرول کا باقاعدگی سے جائزہ لیا جاتا ہے اور انہیں پورا آف وائزیکٹرز یا انویسٹرز کو وہ اختیارات کے تحت ٹیکس وائزیکٹرز یا انویسٹرز فری کینی کی منظوری حاصل ہوتی ہے۔ یہ نظام منظم عملدرآمد و ڈیجیٹل اور کینی کے مالیاتی نظم و نسق کے اصولوں کی مکمل پاسداری کو یقینی بناتا ہے۔

### منازع کی تسمیہ اور بحالہ خطہ خارجہ کا تجزیہ

کینی نے سال 2024 کا 40.812 ارب روپے کے قسطی تسمیہ و خارجہ کے ساتھ کیا۔ 2025 کے دوران، پی ٹی سی نے 29.85 ارب روپے کا ناقص منافع حاصل کیا، 150.00 روپے فی حصص کے حساب سے پانچ صوبائی منافع کا اعلان کیا۔ اس تسمیہ کو مد نظر رکھتے کے بعد سال کے اختتام پر کینی کے قسطی تسمیہ و خارجہ 32.47 ارب روپے ہو گئے۔ وائزیکٹرز میں واپس تہذیبوں کی تسمیہ و خارجہ سے ذیل میں دیے گئے جدول میں بیان کی گئی ہے۔

روپے (فیٹون میں)	روپے (فی ٹیکس)	
40,812		اختیاری ذخائر
29,855	116.85	ناقص منافع 2025
129		دیگر جائز آمدنی
70,796		غیر منصف شدہ وائزیکٹرز
(38,324)	150.00	صوبائی ذریعہ خطہ 2025
32,472		اختیاری ذخائر

### حتمی ذریعہ خطہ

پی ٹی سی کے پورا آف وائزیکٹرز نے 26 فروری 2026 کو منصفہ و اجلاس میں 31 دسمبر 2025 کو قلم ہونے والے سال کے لیے ٹیکس ہولڈرز کی منظوری سے فی حصص 0 روپے کا حتمی نقد ذریعہ خطہ تجویز کیا (2024: 0 روپے فی حصص)۔ کینی نے 2025 کی پہلی سہ ماہی میں فی حصص 30 روپے اور 30 روپے دوسری سہ ماہی میں فی حصص 40 روپے اور تیسری سہ ماہی میں فی حصص 30 روپے اور 20 روپے کے صوبائی ذریعہ خطہ ادا کیے، جس کے نتیجے میں مجموعی صوبائی ذریعہ خطہ 150 روپے فی حصص رہا۔ حتمی نقد ذریعہ خطہ کی یہ تجویز ٹیکس ہولڈرز کی منظوری سے شروع ہے، 28 اپریل 2026 کو منصفہ ہونے والے سال کا اجلاس عام میں دی جائے گی۔

### مدم شدہ مالیاتی گوشوارے اور شعبہ و اجازتہ

مدم شدہ مالیاتی گوشوارے پاکستان ٹویکیٹ کینی ایجنڈ اور اس کی مکمل ملکیتی ذیلی کینی ٹیکس (پرانویٹ) ایجنڈ کی مجموعی کارکردگی کو متاثر کرتے ہیں۔ یہ ذیلی کینی ٹیکس ایجنڈ ہے اور اس نے ابھی تک تھائی ٹرگرس میں شروع نہیں کیے۔

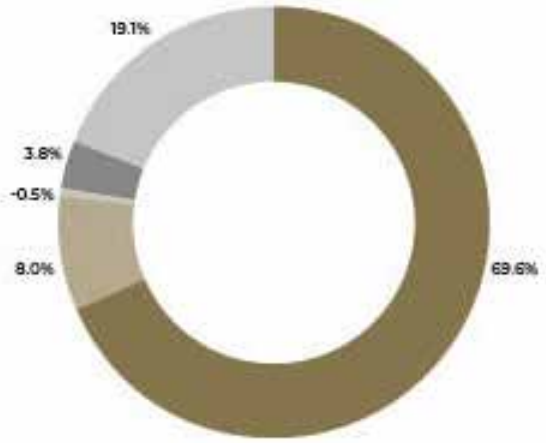
### ہونے والے واقعات کا جائزہ

انکوائسٹ نے مالی سال کے اختتام کے بعد اس رپورٹ کی تاریخ تک پیش آنے والے واقعات کا جائزہ دیا ہے اور تصدیق کی ہے کہ اس دوران کوئی اہم تبدیلیاں یا اہم تبدیلی کی مالی حیثیت پر اثر انداز نہیں ہوئے۔

### آپریشنز کا جائزہ

پی ٹی سی کے لئے جاری شدہ مدم شدہ تک ایک عمل سرمد کاروباری نظام کے تحت کام کرتی ہے، جس میں دو جدا جدا ترین ٹیکس ایجنڈ اور BAT گروپ کی سب سے بڑی ایف آپریشنز میں سے ایک شامل ہیں۔ آپریشنز میں مسلسل بہتری کے حرام کا مظاہرہ کرتے ہوئے پی ٹی سی کی ٹیکس ایجنڈ نے IWS 2 تقریر ٹیکسٹن حاصل کر لیا ہے، جس سے

### Gross Turnover



● Contribution to Government ● Profit for the Year  
● Net Finance Income ● Net Operating Expense ● Cost of Sales

مجموعی ڈاکٹ برائے فروخت میں 16.8% اضافہ ہوا، جو کہ 2024 میں ریکارڈ کیے گئے 21.4% اضافے کے مقابلے میں کم ہے۔ اس کی بنیادی وجہ پی ٹی سی ڈاکٹ میں تسمیہ و خارجہ کا اضافہ رہا، جو کینی کے وائزیکٹرز کی پیروی اور بہتری کے اقدامات اور سال گزر جانے کے نتیجے میں منظم ڈاکٹ کنٹرول کے باعث ممکن ہوا۔

### کیٹیشن پوزیشن کے جائزے کا بیان

2025 میں پراپرٹی، پائمنٹ اور ڈاکٹ میں 16.5% اضافہ ہوا، جبکہ کینی کی مینو ٹیکسٹنگ سہولیات میں 48 کنوینٹل منصوبے مکمل کیے گئے۔ یہ سرمایہ کاری بنیادی طور پر موجودہ انفراسٹرکچر کو جدید بنانے پر مرکوز رہی تاکہ مصنوعات کے معیار کو بہتر بنایا جاسکے، جدت کو فروغ دیا جاسکے، آپریشنز کا کردار کی میں اضافہ ہوا اور بدلنے ہوئے ریگولیٹری ماحول کو پیٹھ کیا جاسکے۔

تھائی ٹیکسٹ میں 10.2% اضافہ ہوا، جو مجموعی فروخت کے حجم میں اضافے کے پیش نظر کیا گیا۔ یہ اضافہ بہتر پائمنٹ کنٹرول ریسٹ کی بدولت ممکن ہوا، جس کے باعث پائمنٹ سہولتی بنانے کے لیے زیادہ انویسٹری پر قرار رکھنا ضروری تھا۔

نقدی اجلاس کے مساوی اجلاس میں گزشتہ سال کی اسی مدت کے مقابلے میں 87.3% کمی واقع ہوئی، جس کی بنیادی وجہ 2025 کے دوران ذریعہ خطہ کی بڑھانے کی وجہ سے منصفہ و اجلاس میں منصفہ و اجلاس کی ذریعہ خطہ کی ادا کیے جانے کے ساتھ ساتھ اہم نام مال کی درآمد پر عائد ٹیکس بڑھانے اور دیگر قانونی اور ریگولیٹری ماحول کی بڑی رقم کی ادا کیے جانے کی کینی کے ٹیکس پلینس پر اثر پڑا۔

### ٹیکسٹن کی اہمیت

پی ٹی سی کی کاروباری کامیابی کا شعبہ کینی کے مالی وسائل کے تحفظ اور ان کے سٹریٹجی میں کلیدی کردار ادا کرتا ہے۔ اس کا دائرہ کار ٹیکسٹن، فنڈنگ اور سرمایہ کاری کے انتظام پر مشتمل ہے تاکہ ادارہ اپنی آپریشنز میں ضروریات اور سٹریٹجک اہداف کو پورا کرنے کے لیے مناسب طور پر مالی وسائل سے مستفید رہے۔ یہ شعبہ اس اہداف میں ترمیم و اپگراڈ کے مالی استحکام کو برقرار رکھتا ہے، منصفہ و اجلاس کے زیادہ سے زیادہ منافع حاصل کیا جائے، اور کینی کی ٹرگرس سے وابستہ مالی خطرات سے سٹریٹجی میں منصفہ و اجلاس کے



ورث ہے۔ جبکہ آئین کی پابندی کرنے والی کمپنیاں، جیسے بی ٹی سی نے اپنی پالیسیوں اور طریقہ کار کو ان نکاحوں کے مطابق مکمل طور پر ہم آہنگ کر لیا ہے، تاہم بی ٹی سی میں جو کچھ رہا اب بھی نکلے گا۔ ان قوانین کی خلاف ورزی کر رہے ہیں۔ کمزور اور غیر مستحکم نفاذ کے باعث یہ خلاف ورزیوں جاری ہیں، جس سے قانونی طور پر کام کرنے والی کمپنیاں کو مالی اور قانونی نقصان پہنچتا ہے اور نقصانزدہ سائنسی ماحول متاثر ہوتا ہے۔ لہذا، ریگولٹری سیکورٹی کو برقرار رکھنے اور تمام فریقین کے لیے یکساں مواقع فراہم کرنے کے لیے موثر اور مستحکم نفاذ کے کام کو مقبول بنانا ضروری ہے۔

علاوہ ازیں، پاکستان میں تصویریری میٹرو ڈارنگ (GHW) قوانین کا ریٹیل سطح پر نفاذ محدود ہے۔ مالی سال 2022-23 میں ٹریڈر ایکسچینجی ٹریڈنگ میں 200% اضافے کے بعد، GHW والے مکمل شدہ سگریٹ پیکنگ کی مقدار میں نمایاں اضافہ دیکھنے میں آیا ہے۔ یہ صورتحال قوانین کی پابندی کرنے والے سٹیٹ پیپر ڈیپارٹمنٹ کے ہینڈلر سے ہے اور قانونی کاروباری اداروں کے مارکیٹ شیئر میں کمی کا باعث بن رہی ہے۔ اس تناظر میں، محصولات کے تحفظ اور یکساں سائنسی ماحول کو یقینی بنانے کے لیے نفاذ کو مزید متاثر نہ کرنا ضروری ہے۔

### کمپنی کی کارکردگی

بی ٹی سی کو درپیش مشکل کاروباری ماحول کے باوجود کمپنی کی 2025 کی کارکردگی اس کے اظہاری قوت کے مزاج اور اس کے کاروباری ماڈل کی مضبوطی کا واضح ثبوت ہے۔ سرمایہ کاری اور فیئر ہولڈرز کے لیے قدر پیدا کرنے پر ہماری توجہ اس امر سے ظاہر ہوتی ہے کہ بی ٹی سی نے قانونی سگریٹ پیکنگ میں اپنی مارکیٹ لیڈرشپ کو مزید مستحکم کرتے ہوئے 13 بیس پوائنٹس کے اضافے سے 80.3% تک پیکاجیڈ باجکٹ، ڈان اور اول ٹیکٹری نے بھی اپنی لیڈرشپ برقرار رکھتے ہوئے لبر جائزہ مدت میں 11.4% ترقی حاصل کی۔ مزید برآں، مجموعی لان اور میں 5.4% اضافہ ہوا اور 374.7 ارب روپے تک پہنچ گیا، جس میں برآمدات شامل ہیں جو کہ 14.4 ارب روپے تک کی ریکارڈ سطح پر تکلیف گئیں۔ 260.8 ارب روپے کی مجموعی گیس ادائیگی کے ساتھ، کمپنی کی مثبت ملکہ کی رقمی حیثیت میں ایک نمایاں اور مکمل طور پر ٹیکس گزار ادارے کے طور پر برقرار رہی۔ ایسے وقت میں جب گیس محصولات میں اضافہ ایک مستحکم فیصلہ ہے اور یونٹوں میں پیداوار میں کمی کو پیش پیش رہتی ہے، اس وقت میں برقرار رہی ہے، بی ٹی سی کی قومی خزانے میں شراکت نہایت اہمیت کی حامل ہے۔

لبر جائزہ مدت سے کی کارکردگی کمپنی کے مجموعی ہدف، قلیل مدتی، متوسط مدتی اور موثر ممبرانہ اور ایسے کاروباری ماحول میں شفاف آپریشن کے مزاج کو ظاہر کرتی ہے جو غیر قانونی تجارت کے باعث ہونے والے اثرات سے متاثر ہو رہا ہے۔

کمپنی نے 29.85 ارب روپے بعد از ٹیکس منافع اور 116.85 روپے فی حصص آمدنی حاصل کی، اور انڈیکسنگ ریگولٹری اور کاروباری حالات کے باوجود فیئر ہولڈرز کے لیے طویل مدتی ویلیر فراہم کرتی رہی۔ سال کے دوران منافع میں اضافہ موثر ڈاکٹ کٹروئل، ترتیبی برائڈرز میں مرکز سرمایہ کاری، اور تمام کاروباری شعبہ جات میں مضبوط آپریشن کارکردگی کے باعث ہوئی۔

اگرچہ کاروباری ماحول میں درپیش رکاوٹیں بدستور موجود ہیں، تاہم کمپنی اپنے کاروباری اہلیت کے مضبوطی کے باعث نڈر متاثر ہے۔ تاہم مسلسل اجراء جاری حاد کے امکانات مزید موثر اسٹریٹجک توجہ اور بروقت ممبرانہ کا ہاتھ بٹھارتے ہیں۔ اس ضمن میں کمپنی کی نظر پائی شدہ منصفی عملی BAT گروپ کی استراتی کے مطابق ترتیب دی گئی ہے اور اسے پورے ادارے میں نافذ کیا گیا ہے۔ جو نئے بنیادی ستونوں Sustainable Future، Quality Growth، Dynamic Business پر مشتمل ہے۔ یہ منصفی عملی واضح لائحہ عمل فراہم کرتی ہے جو کمپنی کی پائیدار اور سہواردارانہ ترقی کو یقینی بنائے گی۔

### کیا اپنی گروتھ (Quality Growth)

ہماری جدوجہد کی کیفیت عملی کارکردگی، "کوالٹی گروتھ" اس بات کی عکاسی کرتا ہے کہ ہم کس طرح جدت اپناتے ہیں۔ مستقبل کے نکاحوں کے مطابق خود کو ڈھالتے ہیں اور سائنس کے لیے اپنا اور ادارہ میں اعلیٰ معیار کی مصنوعات فراہم کرتے ہیں۔ ٹاپ ٹالین اور بائو ٹالین کارکردگی پر متوازن توجہ کے نتیجے میں ہمیں پہلے ہی کیلپاٹ مارکیٹ میں اپنی ڈان اور اول اور مستحکم ٹیکٹری جٹ میں مثبت نتائج حاصل ہو رہے ہیں۔ کمپنی کی ٹیکٹری کے برائڈر جیسے Pall Mail، Dunhill-Benson & Hedges اور Capstan میں ہماری سرمایہ کاری، اور ہمارے مشہور ڈان اور اول برائڈر VELO میں ڈیجیٹل سرمایہ کاری نے ہمیں ڈیجیٹل ٹیکٹری جٹ میں مارکیٹ لیڈرشپ حاصل کرنے کے قابل بنایا ہے۔ 2025 میں ہم نے کلکار جٹ پاکستان میں عالمی شہرت یافتہ کمپنی برائڈر "Lucky Strike" بھی متعارف کرایا، جس کے نتائج نہایت حوصلہ افزا ہیں۔ ہم برائڈر، آپریشن کارکردگی اور منافع بخش مارجن پر توجہ مرکوز رکھتے ہوئے ترقی کے مواقع سے ہمراہی قائم رہنا ہمارا ہے۔ موثر ٹیکٹری اور غیر قانونی تجارت کے خلاف سخت نفاذ ایک منفرد سائنسی ماحول کو یقینی بنانے کے لیے نہایت اہم ہے۔ تاکہ صارفین ڈیجیٹل ادارہ قانونی برائڈر اور ڈیجیٹل سے پاک متبادل مصنوعات جیسے VELO کی جانب متوجہ ہو سکیں۔

پاکستان کی معاشی ترقی میں برآمدات کلیدی کردار ادا اور یار میڈیاں کا ایک اہم ذریعہ ثابت ہوئیں۔ برآمدی لان اور میں 44% کا خاطر خواہ اضافہ ریکارڈ کیا گیا، جس میں بنیادی طور پر فیئر شدہ دنیا کو کی بہتر کارکردگی رہی۔ اس ترقی کی بدولت زرعی پیداوار میں اضافہ ہوا اور کسانوں، بالخصوص صوبہ خیبر پختونخوا کے کاشتکاروں کے معیار زندگی میں بہتری آئی۔ پاکستان ٹویٹیکہ کمپنی کی میڈیا ان پاکستان منصفی عملی، عالمی معیار اور ایشیائی یقینی نمائندگی، افریقہ، یورپ اور جنوبی امریکہ جیسی بین الاقوامی میڈیاں میں بڑھتی ہوئی سماجی صلاحیت کے نتیجے میں VELO کی برآمدات میں 260% کا غیر معمولی اضافہ دیکھا گیا۔ برآمدات پہلی اس ترقی نے مقامی مارکیٹ کے ڈیپا کو کم کرنے میں بھی مدد فراہم کی، جہاں غیر قانونی مصنوعات کی طرف سارٹھن کے، گلان کی بڑے سے قانونی سگریٹ کے حجم میں 1.8% کی کمی واقع ہوئی۔

### پائیدار مستقبل

تجربہ کو قوت سے پاک دنیا کی تعمیر کر کے ایک بہتر مستقبل (A Better Tomorrow) کی تحقیق ہمارا بنیادی مقصد ہے، اور پائیدار مستقبل کا ستون اس مقصد کے حصول میں نہایت اہم ہے۔ ہم سائنسی بنیادوں پر تیار کردہ دنیا کو قوت سے پاک مصنوعات جیسے VELO کے معیار میں سرمایہ کاری اور ریگولٹری سمیت دیگر بروڈی اسٹیٹ ہولڈرز کے ساتھ باہم تعاون اور مشاورت پر خصوصی توجہ دے رہے ہیں تاکہ اپنے مقصد کو حقیقت کا روپ دے سکیں۔ پائیداری اور شفافیت ہماری ہر سرگرمی کا محور ہیں، کیونکہ ہم دنیا بھر میں بالغ صارفین کو سہارا دینا چاہتے ہیں۔ یہاں تک کہ ہمیں دنیا کی تمام مصنوعات تک رسائی فراہم کرنے کے لیے کوشاں ہیں۔ BAT گروپ کے عالمی مزاج تھا کہ کوئی سے پاک دنیا کے عین مطابق، پاکستان ٹویٹیکہ کمپنی نے اپنی اپنی ٹیکٹری مصنوعات کے دائرہ کار کو وسعت دینا جاری رکھا۔ ڈان اور اول مصنوعات کی منصفیہ کوشش برقرار رہا، جس میں VELO کے حجم میں 11.4% اور لان اور میں 43% اضافہ ریکارڈ کیا گیا۔ یہ پیش رفت سائنسی جدت اور سائنس کی بنی ہوئی ترجیحات کے بحالے سے کمپنی کے پختہ مزاج کی عکاسی کرتی ہے اور یہ اس سفر کا حصہ ہے جسے عالمی مارکیٹ میں گولڈن کی جدید متبادل مصنوعات متعارف ہونے سے دو پائیدار عمل جو چکی ہیں۔

بی ٹی سی کے لیے وہاں سال کی ایک اور نمایاں کامیابی Omni™ آغاز تھا، ایک ایسے مخصوص پلیٹ فارم ہے جسے خاص طور پر BAT گروپ نے سائنس دانوں، صحیح عامہ کے کام، ریگولٹری، پالیسی سازوں اور سرمایہ کاروں کے لیے تخلیق کیا ہے۔ یہ پلیٹ فارم ہمیں سے پاک دنیا کی جانب ہمارے مزاج کی عکاسی کرتا ہے اور اس بات کا ثبوت ہے کہ کس طرح سائنس، جدت اور ایک دہائی سے زائد کا دستاویزی ماحول کر اس مقصد کے حصول کو یقینی بنائے گا۔ ہم علاوہ ازیں، بی ٹی سی ایک جامع عین ستونوں پر مشتمل منصفی عملی کے ذریعے غیر قانونی تجارت کے سٹے سے نکلنے

# ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز پاکستان ٹریڈ کیونٹری لیگڈ ("پی ٹی سی آر کینیڈا") کی 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ برسرِ کھیتی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

## اقتصادی ماحول

پاکستان کی معیشت نے 2025 کے دوران درجنوں مسلسل مانتی رکاوٹوں کے باوجود تدریجاً بحالی کا سفر جاری رکھا۔ مجموعی معاشی طور پر بحالی مالیاتی نری، منگول، صنعتی افراترور، برقی کھاتوں کے اختتام اور مرکزی بینک کے ذریعہ مالی کے ذخائر میں بھرتی کے باعث مستحکم رہا، جس کے نتیجے میں کاروباری اکتادہ اور صارفین کے اخراجات میں نمایاں بھرتی دیکھی گئی۔ اگرچہ سچائی کے شعبے سے متعلق رکاوٹوں کے باعث بنیادی افراترور دباؤ کا مظاہرہ ہوا، تاہم مجموعی افراترور سال کے بیشتر حصے کے دوران 7% تا 5% کے درجے میں برقرار رہا۔

حکومت بین الاقوامی مالیاتی فنڈ کے جاری EFF پر ہنگام اور اصلاحاتی ایجنڈا پر بدستور کاربند ہے، تاہم بلند سرکاری قرضوں کی سطح، برآمدات کی مسلسل اور غیر ملکی ملین کارکردگی، تیز بڑھتے ہوئے سرمایاتی اور ہنر افزائی، سیاسی طغرات کے باعث معاشی بحالی کا عمل دباؤ کا مظاہرہ کر رہا ہے۔ مزید برآں معیشت کو آسانی و سائل کے حوالے سے بھی تعین مشکلات درجنوں ہیں، جہاں تک سے ہنر مند افراترور قوت کے مسلسل افٹا کا ریکارڈ برقرار ہے۔ ان دباؤ کا مقابلہ کرنے کے لیے مشورہ و نظر سنجی اور شعبہ دار اصلاحات کا مسلسل تہذیباً کر رہے۔ جس میں قومی کے زرخوں میں بروقت ایجے تنظیمیں اور مختلف شعبوں کی کارکردگی میں بھرتی نہایت اہم ہے۔

اس وسیع تر ماحول میں، پاکستان کا بیشتر شعبے کے ان ممالک میں ہوتا ہے جہاں مجموعی گھٹیں کا بوجھ سب سے زیادہ ہے۔ بلند کاروبار، برآمدات، منگول، برقی، اضافی محصولات، دیون کے ساتھ مل کر رکھی جیسے پر نمایاں دباؤ کا باعث ہیں۔ یہ چیلنجز داخلی انڈیا میں سب سے زیادہ چیلنجی ٹریف کے باعث مزید وسیع ہو جاتے ہیں، جو صنعتی سہولت کو بری طریقہ متاثر کرتے ہیں۔ اگرچہ قومی کی قیمتوں میں حالیہ 4.5% کی ایک خوش آئند گھٹاؤں رفت ہے، تاہم سرمایہ کاری کے فروغ اور ملحدی معاشی ترقی کے لیے ٹیکسوں اور پنشنوں میں مزید توازن نہایت ناگزیر ہے۔

## صنعتی جائزہ

### اقتصادی ماحول

پاکستان میں فی الوقت سرگرم پر لیڈرل ایکٹو ڈیوٹی (FED) کا دو درجے کا نظام نافذ ہے۔ حالیہ سال 2022-2023 میں نافذ کی گئی 200 لاکھ فیڈر معمولی اضافے نے مارکیٹ کی ساخت کو بنیادی طور پر تہذیب کر دیا، جس کے نتیجے میں غیر قانونی سرگرم تجارت 37 لاکھ سے زیادہ کر 2024 میں اپنی بلند ترین سطح 54 لاکھ تک جا پہنچی۔ اس صورتحال نے ان قانون کی تعمیل کرنے والے سینئر مینجمنٹ پر خاصا دباؤ ڈالا، جو اپنی مکمل گھٹیں اور قبضی و سدا ریاں پوری کرتے رہے۔ اس چیلنج کی چھٹی اور اس کے نتیجے میں مصروفی آمدن میں کمی اور کی صنعت کی پائیداری کو لاحق خطرے کو سمجھ کر گئے ہوئے حکومت نے دستبردار فیڈر کرتے ہوئے FED رٹس کو بدستور برقرار رکھا، جس نے ملک میں غیر قانونی سرگرم تجارت کے مزید پھیلاؤ کو روک دیا اور کئی شعبوں میں گھٹتی کر دیا دیا گیا۔

نئے ٹیکس کی سکیم کے حوالے سے، بجٹ 2025-2024 میں جدید اور مل گھٹیں پانچ پر فی ٹیکس 1,200 روپے کی خصوصیت FED اختلاف کر دیا گئی۔ یہ اقدام اس بات کی عکاسی کرتے ہیں کہ حکومت ان مصنوعات کو دیتی پلے والے سرگرم کے مطابق میں اپنا کم خطرے کا معاملہ تصور کرتی ہے، اور اس کم خطرے کی حامل ابھرتی ہوئی ٹیکس کی فروغ میں معاونت کرتی ہے۔

اس کے برعکس، ای۔ ٹیکس ڈے کے لیے FED فریم ورک میں کمی نظر آتی ہے صنعت کے تعمیل کرنے والے اداروں کے لیے نمایاں تہذیبی رکاوٹیں پیدا کیں۔ ڈیوٹی کے ڈھانچے کو مشورہ 10,000 روپے فی ٹیکس گرام سے تبدیل کر کے 10,000 روپے فی ٹیکس گرام سے زیادہ پارٹیکل ٹریٹ کے 65% کر دیا گیا، جس کے نتیجے میں دیکھیں قیمتوں میں تیزیاً 180% اضافہ دیکھا گیا گیا۔ ایک ایسی مارکیٹ میں جہاں 100% فروخت ان ڈیوٹی پیڈ ہے، اس اقدام نے قانونی مصنوعات کو ملحدی طور پر ناقص فروخت بنا دیا۔ چنانچہ کھیتی نے ای۔ ٹیکس ڈے ٹیکس کی کو چھوڑنے کا فیصلہ کیا کیونکہ ضابطہ کار کا بڑے لیے تعمیل کی لاگت نے اس کا دباؤ کو تہذیبی طور پر غیر پائیدار بنا دیا تھا۔ اس مدت کے دوران، اپنی ٹی سی واحد ادارہ بدستور HS کوڈ کے تحت وینٹک مصنوعات دباؤ کر رہا اور تمام کاٹل اخلاق ڈیویژن کی ادائیگی چھٹی بنا رہا۔

## ڈیویژن اور ٹیکسوں میں اضافی اور سخت نافذ کی ضرورت

حالیہ سال 2022-2023 کے دوران FED میں غیر معمولی اضافے نے DNP سکیم کو مزید فروغ دیا، جس کے نتیجے میں غیر قانونی سرگرم برائڈ کی فروخت میں نمایاں اضافہ دیکھنے میں آیا۔ منگول شدہ اور ان ڈیوٹی پیڈ مصنوعات ملک بھر میں، بشمول ایسی علاقوں میں وسیع پیمانے پر دستیاب ہو گئیں۔ ان میں سے متعدد مصنوعات غیر ملکی ایجنسیوں اور ایزی تصویری ایجنٹوں اور گھڑ کے فروخت ہوئی ہیں، جو اس امر کی واضح نشاندہی کرتا ہے کہ دیکھیں سطح پر عملی حال حال نا کافی اور کمزور ہے۔

حکومت نے گھٹیں پوری کے سہاہب کے لیے محدود اقدامات متعارف کرائے، جن میں ٹریڈ اینڈ ٹریس سسٹم بھی شامل ہے، تاہم غیر قانونی سرگرم تجارت کے چیلنج پر عمل کا پیمانے میں خاطر خواہ کامیابی حاصل نہیں ہوئی۔ اس وقت صرف دو ہی پیچیدہ رد عمل طور پر قوانین کی تعمیل کر رہے ہیں اور حکومتی محصولات میں غیر مناسب حصہ ڈال رہے ہیں۔ پائینٹ آف پوز (POS) پر ٹریڈ اینڈ ٹریس کے متاثرہ ڈاک کے فقدان کے باعث، مقامی طور پر تیار کردہ ان ڈیوٹی پیڈ اور منگول شدہ سرگرمی ملک بھر میں مکمل عام فروخت ہو رہے ہیں۔ انٹیلیجینٹ آف پبلک اور چھین ریسرچ کی حالیہ تحقیق کے مطابق مارکیٹ میں موجود 477 برائڈز میں سے صرف 22 برائڈز موجود قبضی قہ قہوں پر پروا کرتے ہیں، جبکہ باقی برائڈز میں 300 سے زائد ایسے ہیں جن پر ٹیکس ایجنسیوں موجود ہیں اور ذی لاڈی دار گھڑ۔

بجٹ 2025-2024 کے افغان کے بعد نافذ کی کوششوں کو مزید موثر بنا دیا گیا، جس کے نتیجے میں کچھ سختی کے سامنے آئے اور DNP سکیم کی مزید بھرتی کو روکا جاسکا۔ تاہم، غیر قانونی سرگرم تجارت کے حجم اور وسعت کے پیش نظر نافذ کی کوششوں کو ہمیشہ مالیاتی پالیسی اقدامات کے ساتھ ہم آہنگ کرنا ضروری ہے۔ اس کے باوجود غیر قانونی سرگرمی مارکیٹ اب بھی ملک میں استعمال ہونے والے سرگرمی میں اکثریتی شہر رکھتی ہے۔ مزید برآں تعمیل کرنے والی دیکھیں، جن کا مجموعی مارکیٹ شیئر 50% سے کم ہے، شہا کو ٹیکس سے حاصل ہونے والے صنعتی محصولات کا تقریباً 95% ادا کرتی ہیں۔

## ریگولیٹری ماحول

حالیہ برسوں میں، ریگولیٹری اداروں نے قہا کو سے متعلق تنظیمی سرگرمیوں کو کنٹرول کرنے کے لیے سخت اقدامات اٹھائے ہیں، جن میں سب سے نمایاں وزارت پینشن ایجنٹس اور سوسائٹی ریگولیٹری ایڈوائزیشن کی جانب سے 2020 میں جاری کردہ دہانت ہے، جس کے تحت قہا کو مصنوعات کی تصدیق، پروڈکشن اور اسپارٹس (TAPS) پر مکمل پابندی مائد کی گئی، جیسا کہ قہا کو قہا کی ممانعت اور شہا کو استعمال کرنے والے افراترور کی صحت کے تحفظ کے آرڈیننس 2002 میں

**8- غیر رہائشی انفرادی شیئرز ہولڈرز کیلئے اطلاع:**

غیر رہائشی انفرادی شیئرز ہولڈرز کو ہم گیس آرڈیننس 2009 کے سیکشن 82 میں واضح کردہ طریقے کے تحت اپنے پاسپورٹ کی نوٹ کاپی کے ہمراہ بھکریشن یا ترمیم صورتوں 20 اپریل 2028 سے قبل ہمارے شیئرز رجسٹرار میرٹھکو شیئرز رجسٹریشن سروس (پرائیویٹ) لمیٹڈ کو جمع کرانا ہوگا تاکہ ڈیویڈنڈ پر ٹیکس کوٹائی کے مقاصد کے لیے ان کی رہائشی حیثیت کا تعین کیا جاسکے۔ بھکریشن فارم کی کاپی شیئرز رجسٹرار کی ویب سائٹ [www.famcosrs.com](http://www.famcosrs.com) سے ڈاؤن لوڈ کی جاسکتی ہے۔

**9- ذکوہ کی کوٹائی:**

ذکوہ کی لازمی کوٹائی سے اسٹیبل کے ہونے کے لیے حصص داروں سے درخواست ہے کہ وہ اپنے ذکوہ ڈیکلیریشن فارم CZ-50 کی ایک کاپی ہمیں 50 روپے کے احاطہ پر ہمیں کے شیئرز رجسٹرار کو جمع کروائیں۔

**10- ای-ووٹنگ:**

ممبران کمپنیز ایکٹ 2017 کی دفعہ 145-143 اور کمپنیز (پرنٹل ووٹ) ریگولیشنز 2018 کی لاکھٹوں کے تحت دائرہ شہری کے مطابق سے متعلق پینل کا استعمال کر سکتے ہیں۔

**11- ویلیو ٹکنگ کی سہولت:**

کمپنیز ایکٹ 2017 کے سیکشن 134(1)(b) اور کمپنیز اینڈ ایجنجمنٹ کمیشن آف پاکستان کے سرگرم نمبر 10 آف 2014 تاریخ 21 مئی 2014 کے مطابق اگر کوئی کوٹھنوں کی صورت میں 10 فیصد یا اس سے زائد شیئرز کے حامل ایسے شیئرز ہولڈرز کی رضامندی کی درخواست سالانہ اجلاس عام سے کم از کم 10 دن پہلے موصول ہوتی ہے جو کہ ایک علاقہ میں رہائش پذیر ہوں اور بذریعہ ویلیو ٹکنگس اجلاس میں شمولیت کے خواہشمند ہوں تو کمپنی اس شہر میں ویلیو ٹکنگس کی سہولت مہیا کرے گی، تاہم اس سہولت کی فراہمی اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہے۔ براہ مہربانی اس سہولت سے فائدہ اٹھانے کیلئے کمپنی کے شیئرز رجسٹرار کو درج ذیل معلومات فراہم کریں۔

میں ہم \_\_\_\_\_ پاکستان ٹریڈ کمپنی لمیٹڈ کے ممبر ہونے کے ذمے عمومی شیئرز بمطابق رجسٹرڈ فولڈ نمبر \_\_\_\_\_ کے حامل ہیں اور اس لیے \_\_\_\_\_ (شہر کا نام) میں ویلیو ٹکنگس کی سہولت کا انتخاب کرتے ہیں۔

**12- ایڈریس کی تبدیلی:**

ممبران سے اتنا س 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 ای ڈی سی کے ساتھ حصص رکھنے والے ممبران کو اپنے شہر کا ای ڈی سی انویسٹمنٹ سروسز کے ایڈریس کی تبدیلی کو مطلع کرنا ہوگا جس کے ساتھ ان کے حصص رکھے گئے ہیں۔

**13- کمپنیز ایکٹ 2017 کی سیکشن 244 تحت غیر روایتی شدہ ڈیویڈنڈ/شیئرز:**

کمپنی کے غیر روایتی شدہ ڈیویڈنڈ/شیئرز کی جازہ ترین فورسٹ کمپنی کی ویب سائٹ [www.ptc.com.pk](http://www.ptc.com.pk) پر دستیاب ہے۔ یہ غیر روایتی شدہ ڈیویڈنڈ/شیئرز ان کی قابل ادا تگی کی تاریخ سے تین سال کی مدت کے لیے غیر روایتی یا بائیں ادا تگی کے رہے ہیں۔ حصص یافتگان روایتی فارم کے ذریعہ روایتی کر سکتے ہیں جیسا کہ کمپنی کی ویب سائٹ پر دستیاب ہے۔ ڈیویڈنڈ/شیئرز کی وصولی کے لیے فارم کمپنی کے شیئرز رجسٹرار کو جمع کروائے جائیں۔

**14- شیئرز کی فزیکل فارم سے ایک انٹری فارم میں تبدیلی:**

ٹیکورٹیز اینڈ ایجنجمنٹ کمیشن آف پاکستان (SECP) نے 26 اگست 2021 کو ایک لیٹرنمبر 640-639-2016/CSD/ED/Misc./2016 جاری کیا ہے جس میں کمپنیز ایکٹ 2017 کے سیکشن 72 کی دفعات کی طرف توجہ مبذول کراتے ہوئے قیام سہولتوں کو متعلقہ کیا گیا ہے جس کے تحت تمام کمپنیوں سے یہ مطالبہ کیا گیا ہے کہ وہ اپنے جاری کردہ شیئرز ڈکو ایکٹ کے خلاف کی تاریخ سے چار سال کی مدت کے اندر فزیکل صورت میں جاری کردہ شیئرز ڈکو ایکٹ انٹری فارم میں جاری کیے جائیں۔ مذکورہ سیکشن 72 کی دفعات کی عمل قبول کو چینی بنانے اور ایک انٹری فارم میں شیئرز رکھنے کی سہولت سے مستفید ہونے کے لیے ان شیئرز ہولڈرز سے درخواست کی جاتی ہے جو ابھی تک فزیکل صورت میں شیئرز رکھتے ہیں وہ اپنے شیئرز ڈکو ایکٹ انٹری فارم میں تبدیلی کر دیں۔ یہ انٹری کی طریقوں سے سہولت فراہم کرے گا، جن میں شیئرز کی محفوظ قبول اور کسی بھی وقت ان کی فروخت شامل ہے، کیونکہ پاکستان اسٹاک ایکچینج کے موجودہ ضوابط کے تحت فزیکل شیئرز کی خرید و فروخت ممنوع ہے۔

**15- رابطگی کی تفصیلات:**

کمپنی سے رابطہ  
کمپنی سیکریٹری، پاکستان ٹریڈ کمپنی لمیٹڈ  
سیرینڈریس کیمپس، خیابان سہروردی، اسلام آباد  
فون: + 92 51 2083200  
ای میل: [ptc\\_company\\_secretary@bat.com](mailto:ptc_company_secretary@bat.com)

**شیئرز رجسٹرار سے رابطہ:**

ٹیکورٹیز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ  
F-6، نزد ونگس، قارن، ڈبیر، جاک-6، P.E.C.H.S.  
شمارہ فون: 5-34380101 (021)  
ای میل: [info.shares@famcosrs.com](mailto:info.shares@famcosrs.com)



# سالانہ اجلاس عام کانوٹس

مطلع کیا جاتا ہے کہ پاکستان ٹویکیٹ کیٹی لیٹڈ ("کٹی") کا 79th سالانہ اجلاس عام بروز منگل، مورخہ 28 اپریل 2026 کو صبح 10:00 بجے میریٹ ہوٹل، آغا خان روڈ، اسلام آباد میں اور اس کے ساتھ ساتھ الیکٹرانک ذرائع سے منعقد ہوگا۔ جس میں مندرجہ ذیل امور طے ہوں گے۔

عمومی امور:

- 1- 24 اپریل 2025 کو منعقد ہونے والے کٹی کے 78 ویں سالانہ اجلاس عام کے نتائج کی توثیق۔
- 2- 31 دسمبر 2025 کو ختم ہونے والے سال کیلئے کٹی کے سائنڈ 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 جو بزنس پروگرام 31 دسمبر 2025 کو ختم ہونے والے سال کیلئے حتمی مفاد منافع بحساب (P&L) روپے کی عمومی شیئر پر غور و خوض اور منظوری کرنا۔
- 4- 31 دسمبر 2026 کو ختم ہونے والے سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین۔ موجودہ آڈیٹرز میرمز KPMG چارلڈا کاؤٹنس نے اپنی اہلیت کی بنیاد پر دوبارہ تقرری کی پیشکش کی ہے۔
- 5- شیئرمین کی اجازت سے دیگر کاروباری امور پر غور و خوض۔

## 3- سالانہ اجلاس عام میں شرکت بذریعہ آن لائن پلیٹ فارم اسکولت

جن اراکین کے نام کٹی 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 اپنا ایک نمائندہ (پرائیسی) مقرر کر سکتا ہے جسے اس ممبر کی جگہ شرکت کرنے، بولنے اور ووٹ دینے کا حق حاصل ہوگا۔

اجلاس کے لیے قابل اطلاق پرائیسی فارم نوٹس کے ممبران کو فراہم کر دیا گیا ہے۔ پرائیسی فارم کٹی کی ویب سائٹ [www.ptc.com.pk](http://www.ptc.com.pk) سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔ پرائیسی فارم اور پاور آف اٹارنی یا دیگر اتھارٹی دستاویز (اگر کوئی ہو) جس کے تحت اس پر دستخط کیا گیا ہو، یا اس اختیار یا مجاز دستاویز کی توہیناً تصدیق کا پل، اجلاس کے انعقاد کے وقت (یعنی مورخہ 28 اپریل 2026 کو صبح 10:00 بجے) سے کم از کم 48 گھنٹے قبل کٹی کے شیئر رجسٹرار، فنکشنل شیئر رجسٹریشن سرورسز (پرائیویٹ) لمیٹڈ کے دفتر میں جمع کر دئے جائیں۔ مذکورہ 48 گھنٹوں یعنی 28 اپریل 2026 کو صبح 10:00 بجے کے بعد وصول ہونے والے پرائیسی فارم مسترد تصور نہیں ہوں گے۔

## 4- پاکستان سٹریٹرز ڈیولپمنٹ کمپنی لمیٹڈ (CDC) کے انویسٹر اکاؤنٹ ہولڈرز کے لیے

ہدایات:

CDC انویسٹر اکاؤنٹ ہولڈرز کو بکچر ریجیٹر ایڈ آپٹیمائزیشن آف پاکستان (SECP) کے جاری کردہ سرکرنر نمبر 1، تاریخ 26 جنوری 2000 کے مطابق شیئر رجسٹرڈ ڈیلرز کے ذریعے ہدایات پر عمل کرنا ہوگا۔

شخصی طور پر (الف)

(i) اگر انویسٹر اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر کوئی فرد یا وہ شخص ہے جس کی بکچر ریجسٹر گروپ اکاؤنٹ میں ہیں جہاں رجسٹریشن کی تفصیلات CDC ریکارڈس کے مطابق اپ لوڈ کی گئی ہیں تو اسے اجلاس میں شرکت کے وقت اپنی اصل بکچر ریجسٹرڈ قومی شناختی کارڈ (CNIC) یا سٹراٹل پاپورٹ دکھانا اپنی شناخت کی تصدیق کرنی ہوگی۔

(ii) کارپوریٹ ادارے کی صورت میں اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد اور پاور آف اٹارنی کی ایک مصدقہ نقل یا وہ شخص کے دستخطوں کے ساتھ پیش کرنی ہوگی۔

ب) بذریعہ نمائندہ (پرائیسی):

(i) اگر انویسٹر اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر کوئی فرد یا وہ شخص ہے جس کی بکچر ریجسٹر گروپ اکاؤنٹ میں ہیں جہاں رجسٹریشن کی تفصیلات CDC ریکارڈس کے مطابق اپ لوڈ کی گئی ہیں تو اس صورت میں مذکورہ بالا بیان کردہ شرط کے تحت پرائیسی فارم جمع کر دئے جائیں۔

(ii) نمائندہ (پرائیسی) کیلئے دو افراد ایلیٹور گواہ فراہم کئے جائیں جن کا نام، پتہ اور قومی شناختی کارڈ نمبر فارم پر درج کئے جائیں۔

(iii) منقطع اداکان یا نمائندہ (پرائیسی) کے قومی شناختی کارڈ یا پاپورٹ کی مصدقہ نقل پرائیسی فارم کے ممبران فراہم کی جائیں۔

(iv) کارپوریٹ ادارے کی صورت میں، کٹی کے شیئر رجسٹرار کو بورڈ آف ڈائریکٹرز کی قرارداد اور پاور آف اٹارنی کے دستخطوں کے نمونے کے ممبران پرائیسی فارم جمع کرنا یا جانے۔

(v) نمائندہ (پرائیسی) کو اجلاس کے وقت اپنا منقطع شناختی کارڈ یا اصل پاپورٹ پیش کرنا ہوگا۔

منظم بورڈ

کٹی کے سالانہ اجلاس عام

سیکشن 2  
کٹی بکچر ریجسٹری

اسلام آباد، 10 اپریل 2026

نوٹس:

## 1- سالانہ رپورٹ

31 دسمبر 2025 کو ختم ہونے والے سال کی سالانہ رپورٹ کی سائٹ کانفی شیئر ہولڈرز کو ان کے دیئے گئے ای میل ایڈریس پر ایک ایگزیکٹو QR کوڈ کے ساتھ (تا کہ وہ سالانہ رپورٹ کی کاپی حاصل کر سکیں) ان کے رجسٹرڈ پتے پر ارسال کیا جارہا ہے۔ کنٹیکٹ ایکٹ 2017 کے سیکشن 223 اور ایس آر 2023/1(1) 389 بتاریخ 21 مارچ 2023 کے تحت سالانہ رپورٹ کی ڈیجیٹل کاپی ہماری ویب سائٹ پر شائع کی جارہی ہے جو ویب لنک [www.ptc.com.pk](http://www.ptc.com.pk) سے ڈاؤن لوڈ کی جاسکتی ہے۔ وہ شیئر ہولڈرز جو سالانہ رپورٹ کی بارڈ کانفی حاصل کرنے کے خواہاں ہیں ان سے درخواست کی جاتی ہے کہ وہ ایس ایم ایس PTC\_AGM@bat.com پر مطلع کریں، انہیں سالانہ رپورٹ کی بارڈ کانفی ارسال کر دی جائے گی۔

## 2- شیئر ٹرانسفر بکس کی بندش

کٹی کی شیئر ٹرانسفر بکس مورخہ 21 اپریل 2026 سے 28 اپریل 2026 (شہول دونوں ایام) تک بند رہیں گی۔ کٹی کے شیئر رجسٹرار، فنکشنل شیئر رجسٹریشن سرورسز (پرائیویٹ) لمیٹڈ کے دفتر میں مورخہ 20 اپریل 2026 بروز سوموار کو کاروبار کے اختتام تک بروقت وصول ہونے والے ٹرانسفر اجلاس میں شرکت اور ووٹ ڈالنے اور حتمی ڈیویڈنڈ کی ادائیگی (جو کہ ممبران کی منظوری سے شرط ہے) کے حقدار ہوں گے۔

# GLOSSARY AND DEFINITIONS

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**AGM**

Annual General Meeting

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**AJK**

Azad Jammu & Kashmir

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**AKF**

Akora Khattak Factory

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**ALT**

Area Leadership Team

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**Amortisation**

To charge a regular portion of an expenditure over a fixed period of time

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**AmSSA**

Americas and Sub-Saharan Africa

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**APME**

Asia-Pacific and Middle East

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**APMEA**

Asia-Pacific, Middle East and Africa

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**ASOP**

Area Sales Operation Planning

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**ATL**

Active Tax Payers List

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**AWS**

Alliance for Water Stewardship

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**B2B**

Business to Business

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**BA**

Bachelors in Art

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**BAT**

British American Tobacco

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**BAU**

Business As Usual

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**BCM**

Business Continuity Management

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**BIA**

Business Impact Analysis

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**BOM**

Battle of Minds

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**CASE**

Centre for Advanced Studies in Energy

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**CbPMO**

Capstan by Pall Mall

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**CDC**

Central Depository Company

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**CEO**

Chief Executive Officer

---

**CFO**

Chief Financial Officer

---

**CGS**

Chief of General Staff

---

**CMA**

Certified Management Accountant

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**CMT**

Crisis Management Team

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**CNIC**

Computerized National Identity Card

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**COGS**

Cost of Goods Sold

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**COO**

Chief Operating Officer

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**CPA**

Crop Protection Agents

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**Current Ratio**

The current ratio indicates a company's ability to meet short-term debt obligation

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**D2C**

Direct to Consumer

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**Debt-to-Equity Ratio**

The ratio found by dividing total debt by the equity (all assets minus debts) held in stock (This is a measure of financial risk)

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**Dividend Payout Ratio**

The ratio found by dividing the annual dividends per share by the annual earnings per share

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**DNP**

Duty-Not-Paid

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**DTP**

Directors' Training Program

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**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 Committee

**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 borrowings

**FMC**

Factory Manufactured Cigarettes

**FMCG**

Fast-Moving Consumer Goods

**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 Business Partner

**ICAP**

Institute of Chartered Accountants of Pakistan

**ICP**

Investment Corporation of Pakistan

**IFAC**

International Federation of Accountants

**IHC**

Islamabad High Court

**IMP**

International Marketing Principles

**I-RECS**

International Renewable Energy Certificates

**IREN**

Inland Revenue Enforcement Network

**IT**

Information Technology

**IWS**

Integrated Work 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

**MESA**

Middle East and South Africa

# GLOSSARY AND DEFINITIONS

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**MO**

Modern Oral

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**MoU**

Memorandum of Understanding

---

**MTBF**

Mean Time Between Failure

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**MW**

Megawatt

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**NC**

New Category

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**Net Working Capital**

Current assets minus current liabilities

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**NIT**

National Investment Trust

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**NRSP**

National Rural Support Program

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**NTN**

National Tax Number

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**NTO**

Net Turn Over

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**NUST**

National University of Sciences and Technology

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**Operating Cycle**

The average time between purchasing or acquiring inventory and receiving cash proceeds from its sale

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**ORA**

Overall Risk Assessment

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**PPE**

Personal Protective Equipment

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**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 firm's earnings' growth and risk prospects)

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**PTB**

Pakistan Tobacco Board

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**PTC**

Pakistan Tobacco Company or "The Company"

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**R&D**

Research and Development

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**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)

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**RMC**

Risk Management Committee

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**SAA**

South Asia Area

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**SECP**

Securities Exchange Commission of Pakistan

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**SoBC**

Standards of Business Conduct

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**Sox**

Sarbanes-Oxley

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**SPLY**

Same Period Last Year

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**SRO**

Statutory Regulatory Order

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**U.S.**

United States of America

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**UAT**

User Acceptance Test

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**UK**

United Kingdom

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**VFM**

Value for Money

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**Vs.**

Versus

---

**w.e.f.**

with effect from

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**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 account 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 79th Annual  
General Meeting of the Company to be held on the 28th day of April 2026 and at any and every adjournment  
thereof.

Signed by \_\_\_\_\_  
Signed under my/our hand this the \_\_\_\_\_ day of \_\_\_\_\_ 2026.

**WITNESS – 1**

Name: \_\_\_\_\_  
CNIC: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**WITNESS – 2**

Name: \_\_\_\_\_  
CNIC: \_\_\_\_\_  
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 Directors’ Resolution / Power of Attorney with specimen signature shall be sent at info.shares@famcosrs.com along with Proxy Form.







Pakistan Tobacco Company Limited,  
Serena Business Complex,  
Khayaban-e-Suhrwardy,  
Islamabad, Pakistan

Tel: +92 (51) 2083200-1

Fax: +92 (51) 2604515

GO ONLINE

