



PHILIP MORRIS
(PAKISTAN) LIMITED

TRANSFORMING
TOMORROW

Our Journey of Innovation

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2025 (Un-audited)



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Company Information

BOARD OF DIRECTORS

SARFARAZ AHMED REHMAN	(Chairman/Director)
ALIREZA TAKESH	(Chief Executive Officer)
MUHAMMAD ZEESHAN	(Chief Financial Officer)
AAIZAH SYED	
PETER CALON	
MIRZA REHAN BAIG	
JUNAID IQBAL	

COMPANY SECRETARY

MOHAMMAD SAAD KHALEEL

AUDIT COMMITTEE

MIRZA REHAN BAIG	(Chairman)
AAIZAH SYED	
PETER CALON	
MOHAMMAD SAAD KHALEEL	(Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE

SARFARAZ AHMED REHMAN	(Chairman)
ALIREZA TAKESH	
JAY RAMOS	
PETER CALON	

AUDITOR

A. F. FERGUSON & CO.
Chartered Accountants

BANKS

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

LEGAL ADVISOR

IJAZ AHMED & ASSOCIATES

SHARE REGISTRAR

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

REGISTERED OFFICE

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

FACTORIES

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

Website:

www.philipmorriskakistan.com.pk

Email:

pmpk.info@pmi.com

DIRECTORS' REPORT

FOR THE QUARTER ENDED MARCH 31, 2025

On behalf of the Board of Directors of Philip Morris Pakistan Limited (“the Company”), we are pleased to share the Directors’ Report for the quarter ended March 31, 2025.

Pakistan's economy has shown positive signs with lower interest and inflation rates, a managed current account deficit, and stable exchange rates. However, the International Monetary Fund (IMF) continues to keep close watch due to the Extended Fund Facility it approved for Pakistan. The recent geo-political tensions and the impact of application of tariffs, have impacted investor confidence in the short term with visible decline seen in Pakistan Stock Exchange (PSX) indices ^{[1][2]}.

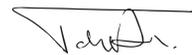
Pakistan’s tobacco industry continues to face the widespread issue of low-priced, non-tax paid cigarettes’ availability. These non-compliant products not only lead to significant revenue losses but also create an non-level playing field for tax-paying manufacturers. Non-tax paid cigarettes reportedly hold over ~50% ^[3] of the market share in Pakistan, leading to an estimated annual loss of around PKR 300 billion to the National Exchequer. We believe that effective and sustainable enforcement of the Track & Trace (TTS) system is essential to curb the trade of non-tax paid cigarettes.

For the quarter ended March 31, 2025, the Company reported a total net turnover of PKR 8,631 million, reflecting domestic net turnover of PKR 5,326 million (62% of the total net turnover) which grew by 40% vs. prior year, reflecting stabilization of cigarette volumes coupled with increased pricing as well as our growing turnover with respect to nicotine pouches which in Q1’25 stands at 3% of domestic net turnover. Additionally, the export turnover amounted to PKR 3,305 million (38% of the total net turnover). The Company recorded a loss after tax of PKR 580 million for the three months ended March 31, 2025, vs. a profit of PKR 438 million in the same period prior year. For the three months period (Jan – Mar 2025), the Company contributed PKR 12,685 million to the National Exchequer, higher by 18% vs. prior year. Furthermore, for the current fiscal year (July’24 to Mar’25), the company contributed PKR 37,124 million to the National Exchequer, higher by 8% vs. same period of prior fiscal year.

The management is working to enhance the Company’s financial performance by leveraging global resources, implementing commercial plans, and improving product quality, processes, and operational efficiencies. The Company will continue to comply with government policies and measures aimed at addressing the issue of non-tax paid cigarettes.



Sarfaraz Ahmed Rehman
Chairman/Director



Alireza Takesh
Chief Executive Officer

1. [PSX crashes 3,882 points as Trump tariffs spark recession fears](#)
2. [Shares at PSX plunge 2,200 points as India-Pakistan tensions simmer - Business - DAWN.COM](#)
3. [Illicit cigarettes costing govt Rs300bn a year - Business - DAWN.COM](#)

برائے سہ ماہی 31 مارچ 2025

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں خوشی ہے کہ ہم سہ ماہی رپورٹ برائے 31 مارچ 2025 آپ کے ساتھ شیئر کر رہے ہیں۔

پاکستان کی معیشت میں مثبت اشارے دیکھنے کو ملے ہیں، جن میں کم شرح سود اور مہنگائی، کرنٹ اکاؤنٹ خسارے کا مؤثر انتظام، اور مستحکم زر مبادلہ کی شرح شامل ہیں۔ تاہم، آئی ایم ایف (IMF) اب بھی ایکسٹینڈڈ فنڈ فیسلٹی کے باعث گہری نظر رکھے ہوئے ہے۔ حالیہ جغرافیائی و سیاسی کشیدگیوں اور ٹیرفز (محصولات) کے اطلاق کے اثرات نے قلیل مدتی طور پر سرمایہ کاروں کے اعتماد کو متاثر کیا ہے، جس کا واضح اثر PSX انڈیکس میں کمی کی صورت میں دیکھا گیا^{[1][2]}۔

پاکستان کی تمباکو کی صنعت اب بھی سستے اور بغیر ٹیکس ادا کیے گئے سگریٹوں کے پھیلاؤ کے مسئلے کا سامنا کر رہی ہے۔ یہ غیر قانونی مصنوعات نہ صرف بڑے پیمانے پر حکومتی ریونیو کے نقصان کا باعث بنتی ہیں بلکہ ٹیکس ادا کرنے والے مینوفیکچررز کے لیے غیر مساوی مسابقتی ماحول بھی پیدا کرتی ہیں۔ رپورٹس کے مطابق، غیر قانونی سگریٹس پاکستان کی مارکیٹ کا 50 فیصد^[3] سے زائد حصہ رکھتے ہیں، جس سے قومی خزانے کو سالانہ تقریباً 300 ارب روپے کا نقصان ہو رہا ہے۔ مؤثر اور پائیدار نفاذی اقدامات، جیسے کہ ٹریک اینڈ ٹریس (TTS) سسٹم، غیر قانونی سگریٹوں کی تجارت کو روکنے کے لیے نہایت ضروری ہیں۔

سہ ماہی 31 مارچ 2025 کے لیے، کمپنی نے کل خالص کاروبار PKR 8,631 ملین رپورٹ کیا، جس میں سے ملکی خالص کاروبار PKR 5,326 ملین (کل خالص کاروبار کا 62 فیصد) تھا، جو پچھلے سال کے مقابلے میں 40 فیصد زیادہ تھا، یہ سگریٹ کی فروخت میں استحکام، قیمتوں میں اضافہ، اور نکوٹین پاؤچز کے کاروبار میں اضافے کو ظاہر کرتا ہے، جو Q1 2025 میں ملکی خالص کاروبار کا 3 فیصد ہے۔ مزید برآں، برآمدات سے حاصل شدہ کاروبار PKR 3,305 ملین رہا (جو کہ کل خالص کاروبار کا 38 فیصد ہے)۔ کمپنی نے سہ ماہی 31 مارچ 2025 کے لیے ٹیکس کے بعد PKR 580 ملین کا خسارہ ظاہر کیا، جبکہ پچھلے سال اسی مدت میں PKR 438 ملین کا منافع ہوا تھا۔ جنوری تا مارچ 2025 کی سہ ماہی کے دوران، کمپنی نے قومی خزانے میں PKR 12,685 ملین کا حصہ ڈالا، جو کہ پچھلے سال کے مقابلے میں 18 فیصد زیادہ ہے۔ مزید یہ کہ، موجودہ مالی سال (جولائی 2024 تا مارچ 2025) کے دوران کمپنی نے قومی خزانے میں PKR 37,124 ملین کا حصہ ڈالا، جو پچھلے سال کی اسی مدت کے مقابلے میں 8 فیصد زیادہ ہے۔

کمپنی کی انتظامیہ مالی کارکردگی کو بہتر بنانے کے لیے عالمی وسائل سے فائدہ اٹھانے، کاروباری منصوبے نافذ کرنے، اور مصنوعات کے معیار، عمل، اور آپریشنز کی کارکردگی بہتر بنانے پر کام کر رہی ہے۔ کمپنی غیر قانونی سگریٹوں کے مسئلے کے حل کے لیے حکومتی پالیسیوں اور اقدامات پر عملدرآمد جاری رکھے گی۔

Sayyaz Ahmad Rehman

علی ریزہ تاکیش
چیف ایگزیکٹو افسر

Sayyaz Ahmad Rehman

سرفراز احمد رحمان
چینر مین / ڈائریکٹر

1. PSX crashes 3,882 points as Trump tariffs spark recession fears
2. Shares at PSX plunge 2,200 points as India-Pakistan tensions simmer - Business - DAWN.COM
3. Illicit cigarettes costing govt Rs300bn a year - Business - DAWN.COM

Financial Statements



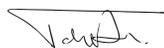
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)
AS AT MARCH 31, 2025

	Note	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
- Property, plant and equipment	5	7,184,630	6,971,983
- Right-of-use assets		226,891	255,906
- Intangibles		82,443	84,788
		<u>7,493,964</u>	<u>7,312,677</u>
Investment in a subsidiary company	6	1	1
Long term deposits		73,570	73,570
Deferred taxation		776,811	347,972
		<u>8,344,346</u>	<u>7,734,220</u>
CURRENT ASSETS			
Stores and spares - net		285,207	316,377
Stock in trade - net	7	15,421,919	12,743,660
Trade debts - net	8	478,141	377,624
Advances	9	149,704	226,197
Prepayments		75,982	85,217
Other receivables	10	1,311,755	1,163,216
Income tax - net		1,815,929	1,699,160
Staff retirement benefits		60,404	60,404
Sales tax and excise duty adjustable		-	2,197,788
Cash and bank balances		5,244,692	4,529,492
		<u>24,843,733</u>	<u>23,399,135</u>
TOTAL CURRENT ASSETS		<u>24,843,733</u>	<u>23,399,135</u>
TOTAL ASSETS		<u>33,188,079</u>	<u>31,133,355</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		<u>12,000,000</u>	<u>12,000,000</u>
Issued, subscribed and paid-up capital			
- Ordinary shares		615,803	615,803
- Preference shares		10,464,000	10,464,000
		<u>11,079,803</u>	<u>11,079,803</u>
Transaction cost on issuance of preference shares - net of tax		(33,911)	(33,911)
		<u>11,045,892</u>	<u>11,045,892</u>
Reserves		4,311,596	4,891,307
TOTAL EQUITY		<u>15,357,488</u>	<u>15,937,199</u>
NON CURRENT LIABILITIES			
Lease liabilities		159,134	184,071
CURRENT LIABILITIES			
Trade and other payables	11	15,404,040	14,800,555
Current maturity of lease liabilities		124,067	120,305
Unclaimed dividend		37,103	37,103
Unpaid dividend		54,122	54,122
Sales tax and excise duty payable		2,052,125	-
TOTAL CURRENT LIABILITIES		<u>17,671,457</u>	<u>15,012,085</u>
TOTAL LIABILITIES		<u>17,830,591</u>	<u>15,196,156</u>
TOTAL EQUITY AND LIABILITIES		<u>33,188,079</u>	<u>31,133,355</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Sarfaraz Ahmed Rehman
Chairman/Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

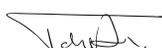
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER ENDED MARCH 31, 2025**

	Note	Quarter Ended	
		March 31, 2025	March 31, 2024 (Restated) (Un-audited)
(Rupees in thousand)			
Turnover - net	13	8,631,319	8,628,077
Cost of sales	14	7,088,993	7,455,876
Gross profit		1,542,326	1,172,201
Distribution and marketing expenses		1,697,590	1,505,366
Administrative expenses		594,080	455,737
Other expenses		137,341	57,096
Other income		(149,261)	(1,544,608)
		2,279,750	473,591
Operating (loss) / profit		(737,424)	698,610
Finance cost and bank charges		35,682	33,343
(Loss) / profit before taxation and levy		(773,106)	665,267
Levy	2.5 to 16	174,378	65,030
(Loss) / profit before taxation		(947,484)	600,237
Taxation	16.2	(367,773)	162,190
(Loss) / Profit after taxation		(579,711)	438,047
Other comprehensive income		-	-
Total comprehensive income /(loss) for the period		(579,711)	438,047
----- (Rupees) -----			
Earnings per share			
- Basic	17	(9.41)	7.11
- Diluted	17	Note 17.2	5.76

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



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Chairman/Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
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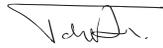
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE QUARTER ENDED MARCH 31, 2025

	Issued, subscribed and paid-up capital		Transaction cost on issuance of preference shares - net of tax	Reserves							Total
	Ordinary shares	Preference shares		Capital reserves		Subtotal capital reserves	Revenue reserves			Subtotal - reserves	
				Reserve for share based payments	Remeasurement of staff retirement gratuity plan - net of tax		General reserve	Unappropriated (loss) / profit	Subtotal revenue reserves		
(Rupees in thousand)											
Balance as at January 1, 2024	615,803	10,464,000	(33,911)	94,153	(292,256)	(198,103)	3,328,327	1,418,707	4,747,034	4,548,931	15,594,823
<i>Total comprehensive income</i>											
Profit after taxation for the three months period ended March 31, 2024	-	-	-	-	-	-	-	438,047	438,047	438,047	438,047
Balance as at March 31, 2024	615,803	10,464,000	(33,911)	94,153	(292,256)	(198,103)	3,328,327	1,856,754	5,185,081	4,986,978	16,032,870
Balance as at January 1, 2025	615,803	10,464,000	(33,911)	148,945	(259,421)	(110,476)	3,328,327	1,673,456	5,001,783	4,891,307	15,937,199
<i>Total comprehensive income</i>											
(Loss) / Profit after taxation for the three months period ended March 31, 2025	-	-	-	-	-	-	-	(579,711)	(579,711)	(579,711)	(579,711)
Balance as at March 31, 2025	615,803	10,464,000	(33,911)	148,945	(259,421)	(110,476)	3,328,327	1,093,745	4,422,072	4,311,596	15,357,488

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Sarfaraz Ahmed Rehman
Chairman/Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE QUARTER ENDED MARCH 31, 2025

	Note	Quarter Ended	
		March 31, 2025	(Restated) March 31, 2024
		(Un-audited)	
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	1,494,999	356,214
Finance cost paid		(24,538)	(20,051)
Taxes and levy paid		(352,213)	(132,788)
Interest received on deposit accounts		86,091	384,947
Net cash generated from operating activities		1,204,339	588,322
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(490,251)	(67,613)
Proceeds from disposal of items of property, plant and equipment		33,431	3,764
Net cash used in investing activities		(456,820)	(63,849)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	-
Lease payments		(32,319)	(9,787)
Net cash used in financing activities		(32,319)	(9,787)
Net increase in cash and cash equivalents during the period		715,200	514,686
Cash and cash equivalents at the beginning of the period		4,510,631	9,044,034
Cash and cash equivalents at the end of the period	20	5,225,831	9,558,720

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Sarfaraz Ahmed Rehman
Chairman/Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

PHILIP MORRIS (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Lakson Tobacco Company Limited was incorporated in Pakistan on February 10, 1969 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017) and was subsequently acquired by the Philip Morris International Inc., through PMI Group entities. On February 25, 2011, the name of the Company was changed to Philip Morris (Pakistan) Limited (the Company). The Company is listed on the Pakistan Stock Exchange and the principal activity of the Company is the manufacturing and sale of cigarettes, tobacco products and other smoke free products. The registered office of the Company is situated at Office 04 & 05, 5th Floor, Corporate Office Block, Dolmen City, Plot HC-3, Block 4, Clifton Karachi, Sindh, Pakistan.
- 1.2 The Board of Directors in its meeting held on March 25, 2025 resolved to delist the Company from the Pakistan Stock Exchange (PSX) under rule 5.14 of Voluntary Delisting rules of the PSX Rule Book for which the Company shall submit a formal application to the PSX and for which Philip Morris Investments B.V., the majority shareholder and one of the sponsors of the Company has been authorised to buyback ordinary shares held by the minority shareholders of the Company other than Philip Morris Brands SARL (the other sponsor, who will continue to hold securities and shares in the de-listed entity) to an extent and at a price to be determined in accordance with the PSX Rule Book or as may be determined by the Exchange or the Securities and Exchange Commission of Pakistan for the purpose of voluntary delisting of the Company from the PSX.

2. STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
- (a) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Act; and
 - (b) Provisions of and directives issued under the Act.

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

- 2.2 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the Company's audited financial statements for the year ended December 31, 2024 (December 2024 financial statements), except relating to the matter stated in note 2.3 and 2.4 below.
- 2.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 2.4 New standards, amendments and an interpretation to published accounting and reporting standards which became effective during the period ended March 31, 2025:

There were certain amendments to accounting and reporting standards which became effective for the Company during the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements except that during the year, the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has changed its accounting policy to recognise minimum or final taxes, that is not based on taxable income, as levy within the scope of IFRIC 21 / IAS 37 and recognise it as an operating expense. Any excess over the amount designated as levy is then recognised as current income tax expense falling under the scope of IAS 12.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

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

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
----- (Rupees in thousand) -----			
Effect on the statement of profit or loss and other comprehensive income			
For the period ended March 31, 2025			
Levy	-	174,378	174,378
Profit before taxation	(773,106)	(174,378)	(947,484)
Taxation	193,395	174,378	367,773
Profit after taxation	(579,711)	-	(579,711)
For the period ended March 31, 2024			
Levy	-	65,030	65,030
Profit before taxation	665,267	(65,030)	600,237
Taxation	(227,220)	65,030	(162,190)
Profit after taxation	438,047	-	438,047

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

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

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

3. BASIS OF PREPARATION

- 3.1 These condensed interim financial statements include the condensed interim statement of financial position as at March 31, 2025, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes thereto for the three months period then ended which were not audited.
- 3.2 The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2024 has been extracted from the December 2024 financial statements. The comparative statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three months period ended March 31, 2024 have been extracted from the condensed interim financial statements of the Company for the three months period then ended, which were not audited.
- 3.3 These interim financial statements should be read in conjunction with the December 2024 financial statements as these provide an update of previously reported information.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISKMANAGEMENT

- 4.1 The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards for interim reporting requires the use of certain accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 4.2 During the preparation of these condensed interim financial statements, significant judgments made by management in applying the Company's accounting policies and key sources of estimation were the same as those applied in the December 2024 financial statements.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the December 2024 financial statements.

	Note	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1	6,667,134	4,750,588
Capital work-in-progress (CWIP)	5.5	517,496	2,221,395
		<u>7,184,630</u>	<u>6,971,983</u>
5.1 Operating property, plant and equipment			
Book value at the beginning of the period / year		4,750,588	4,708,383
Additions / transfers from CWIP during the period / year	5.2	2,194,150	1,133,143
		<u>6,944,738</u>	<u>5,841,526</u>
Disposals during the period / year - net book value	5.3	(5,042)	(19,055)
Write offs during the period / year - net book value		-	(20,295)
Depreciation charge during the period / year	5.4	(272,562)	(1,051,588)
		<u>(277,604)</u>	<u>(1,090,938)</u>
Book value at the end of the period / year		<u>6,667,134</u>	<u>4,750,588</u>
Quarter Ended			
March 31, March 31,			
2025 2024			
(Un-audited)			
(Rupees in thousand)			
5.2 Additions / transfers from CWIP during the period			
Buildings on freehold land		312,928	11,570
Plant and machinery		1,436,644	78,604
Furniture and fixtures		11,843	54,134
Office equipments		1,379	-
Vehicles		11,758	90,000
Leasehold improvements		2,634	-
Power and other installations		386,333	44,595
Computer Equipment		30,631	2,396
		<u>2,194,150</u>	<u>281,299</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE QUARTER ENDED MARCH 31, 2025

	Quarter Ended	
	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited)
(Rupees in thousand)		
5.3 Disposals during the period - net book value		
Vehicles	<u>5,042</u>	<u>2,151</u>
5.4 Depreciation charge during the period on property, plant and equipment	<u>272,562</u>	<u>245,546</u>
Depreciation charge during the period on Right-of-use assets	<u>29,015</u>	<u>30,200</u>
	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
(Rupees in thousand)		
5.5 Capital work-in-progress		
Civil works	14,625	236,971
Plant and machinery	299,873	1,572,083
Power and other installations	21,227	314,619
Furniture and fixtures	235	-
Advance to suppliers and contractors	<u>181,536</u>	<u>97,722</u>
	<u>517,496</u>	<u>2,221,395</u>

6. INVESTMENT IN A SUBSIDIARY COMPANY

This represents the cost of 103 fully paid ordinary shares of Rs 10 each in Laksonpremier Tobacco Company (Private) Limited (the Subsidiary Company). Out of such 103 shares, two shares are in the name of the nominees. The statement of profit or loss and other comprehensive income of the Subsidiary Company for the three months period ended March 31, 2025 amounted to Rs Nil resulting in an accumulated loss of Rs 1,030 as at that date. The net assets of the Subsidiary Company as at March 31, 2025 amounted to Rs Nil, in accordance with the un-audited condensed interim financial statements for the three months period then ended. The subsidiary company has filed an application dated August 30, 2019 with the Securities and Exchange Commission of Pakistan (SECP) for obtaining the status of an inactive company under section 424 of the Companies Act, 2017, however, response in this regard from SECP is awaited.

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

The investment in the subsidiary Company has been made in accordance with the requirements of the Companies Act, 2017.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		(Rupees in thousand)	
7. STOCK IN TRADE - net			
Raw and packing materials	7.1	13,113,406	11,358,967
Work-in-process		317,976	163,514
Finished goods	7.2	<u>2,754,771</u>	<u>2,160,057</u>
		16,186,153	13,682,538
Provision for obsolete stocks	7.3	<u>(764,234)</u>	<u>(938,878)</u>
		<u>15,421,919</u>	<u>12,743,660</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

- 7.1 Includes raw & packing material in transit aggregating Rs 361.619 million (December 31, 2024: Rs 820.901 million)
- 7.2 Include finished goods in transit aggregating Rs 16.774 million (December 31, 2024: Rs Nil).
- 7.3 During the current period, the Company has written off provision against raw and packing materials aggregating Rs 593.193 million (December 31, 2024: Rs 435.859 million)

	Note	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
8. TRADE DEBTS - net			
Considered good - unsecured			
Considered doubtful			
	8.1	478,141	377,624
Less: Provision for doubtful debts		<u>2,780</u>	<u>2,780</u>
		480,921	380,404
Secured		<u>(2,780)</u>	<u>(2,780)</u>
Advance to a supplier		<u>478,141</u>	<u>377,624</u>
Less: provision against advance			

- 8.1 This represents amount receivable from group undertaking against export sales.

	Note	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
9. ADVANCES			
Unsecured			
Advances to:			
- Employees	9.1	20,052	18,298
- Suppliers and contractors		<u>34,557</u>	<u>112,804</u>
		54,609	131,102
Secured			
Advance to a supplier	9.2	<u>111,261</u>	<u>111,261</u>
Less: Provision against advance		<u>(16,166)</u>	<u>(16,166)</u>
		95,095	95,095
		<u>149,704</u>	<u>226,197</u>

- 9.1 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.
- 9.2 There is no signification change in the status of the case as set out in note 11.2 to the December 2024 financial statements.

	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
10. OTHER RECEIVABLES		
Receivable from associated undertakings	415,339	390,225
Cash margins held with banks	829,139	762,371
Accrued interest on deposit accounts	61,206	3,967
Others	<u>6,071</u>	<u>6,653</u>
	<u>1,311,755</u>	<u>1,163,216</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
11. TRADE AND OTHER PAYABLES		
Creditors	3,048,943	3,196,285
Bills payable	4,893,522	4,014,408
Royalty payable to a related party	2,648,346	2,346,187
Accrued expenses	2,034,635	2,289,317
Tobacco development cess	247,675	481,520
Advance from customers - unsecured	2,286,239	2,199,408
Workers' welfare fund	50,681	50,681
Workers' profits participation fund	37,459	37,459
Others	156,540	185,290
	<u>15,404,040</u>	<u>14,800,555</u>
12. CONTINGENCIES AND COMMITMENTS		
12.1 Guarantees		
Indemnities given to banks for guarantees issued by them in the normal course of business aggregated Rs 78.861 million (December 31, 2024: Rs 78.861 million).		
	March 31, 2025 (Un-audited) (Rupees in thousand)	December 31, 2024 (Audited)
12.2 Commitments		
Capital expenditure contracted for but not incurred	<u>107,338</u>	<u>181,165</u>
Post dated cheques	<u>44,685</u>	<u>44,685</u>
Letters of credit	<u>153,091</u>	<u>119,232</u>
Operating lease commitments	<u>2,959</u>	<u>3,033</u>
12.3 Contingencies		
There is no change in the status of the cases set out in notes 21.3 to 21.4 to the December 2024 financial statements.		
	<u>Quarter ended</u>	
	March 31, 2025 (Un-audited) (Rupees in thousand)	March 31, 2024
13. TURNOVER - net		
Gross turnover		
- Domestic	17,506,242	14,658,035
- Export	<u>3,305,271</u>	<u>4,830,156</u>
	<u>20,811,513</u>	<u>19,488,191</u>
Less: Trade discount	<u>314,900</u>	<u>300,684</u>
Sales tax	<u>2,833,999</u>	<u>2,327,511</u>
Excise duty	<u>9,031,295</u>	<u>8,231,919</u>
	<u>12,180,194</u>	<u>10,860,114</u>
	<u>8,631,319</u>	<u>8,628,077</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

	Note	Quarter ended	
		March 31, 2025	March 31, 2024
		(Un-audited)	
		(Rupees in thousand)	
14. COST OF SALES			
Raw and packing materials consumed			
Opening stock		11,358,967	11,004,979
Purchases, redrying and related expenses		7,894,610	1,498,713
		<u>19,253,577</u>	<u>12,503,692</u>
Closing stock		(13,113,406)	(6,302,070)
		<u>6,140,171</u>	<u>6,201,622</u>
Government levies		20,824	7,093
Manufacturing expenses		842,088	579,637
		<u>7,003,083</u>	<u>6,788,352</u>
Work-in-process			
Opening stock		163,514	208,652
Closing stock		(317,976)	(228,323)
Sale of waste		(5,789)	(1,625)
		<u>(160,251)</u>	<u>(21,296)</u>
Cost of goods manufactured		<u>6,842,832</u>	<u>6,767,056</u>
Finished goods			
Opening stock		2,160,057	1,270,331
Finished goods purchased		840,875	1,119,106
Closing stock		(2,754,771)	(1,700,617)
		<u>246,161</u>	<u>688,820</u>
		<u>7,088,993</u>	<u>7,455,876</u>
15. OTHER INCOME			
Exchange gain - net		-	89,687
Interest on deposit accounts		86,091	384,947
Profit on disposal of items of property, plant and equipment		28,389	1,613
Reimbursement of expenses	15.1	30,431	1,051,223
Liabilities no longer payable written back		-	2,661
Others		4,350	14,477
		<u>149,261</u>	<u>1,544,608</u>
15.1	This represents reimbursement of expenses, incurred by the Company on account of import, distribution and marketing activities, trade allowances and taxes and duties relating to recently launched products, agreed to be received from Philip Morris Products S.A., (PMP) in accordance with the agreements entered into between the Company and PMP.		
	As of 1 January 2025, the Company will no longer be seeking reimbursement of above mentioned expenses relating to nicotine pouches (ZYN). This is due to the localization of these products in Pakistan.		
16. LEVY AND TAXATION			
Levy		174,378	65,030
Taxation		(367,773)	162,190
Levy and tax charged		<u>(193,395)</u>	<u>227,220</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

- 16.1 This represents minimum taxes paid under section 148 and 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

	Quarter ended	
	March 31, 2025	March 31, 2024 (Restated)
	(Un-audited)	
	(Rupees in thousand)	
16.2 TAXATION		
Current		
- for the year	61,066	226,680
Deferred	(428,839)	(64,490)
	<u>(367,773)</u>	<u>162,190</u>

17. EARNINGS PER SHARE – BASIC AND DILUTED

- 17.1 Basic (loss) / earnings per share

(Loss) / Profit for the period after taxation

	<u>(579,711)</u>	<u>438,047</u>
--	-------------------------	----------------

(No. of shares)

Weighted average number of ordinary shares

	<u>61,580,341</u>	<u>61,580,341</u>
--	--------------------------	-------------------

(Rupees)

Basic (loss) / earnings per share

	<u>(9.41)</u>	<u>7.11</u>
--	----------------------	-------------

(Rupees in thousand)

- 17.2 Diluted (loss) / earnings per share

(Loss) / Profit for the period after taxation

	<u>(579,711)</u>	<u>438,047</u>
--	-------------------------	----------------

(No. of shares)

Weighted average number of ordinary shares

	61,580,341	61,580,341
--	-------------------	------------

Adjustment for convertible preference shares

	15,377,894	14,414,160
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	<u>76,958,235</u>	<u>75,994,501</u>
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(Rupees)

Diluted earnings per share

	<u>Note 17.3</u>	<u>5.76</u>
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- 17.3 1,046,400,000 preference shares are not included in the calculation of diluted earnings / (loss) per share because these were antidilutive for the quarter ended March 30, 2025.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

18. RELATED PARTIES DISCLOSURES

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

Relationship	Nature of transaction	Quarter ended	
		March 31, 2025	March 31, 2024
		(Un-audited) (Rupees in thousand)	
Associated undertakings	Sale of goods and services	3,305,271	4,482,751
	Purchase of goods and services	1,469,949	1,073,862
	Reimbursement of expenses	30,431	1,051,223
	Royalty charges	344,454	288,438
	Reimbursement of expenses	30,431	1,051,223
Staff retirement benefit plans	Contribution to gratuity fund	23,930	36,972
	Contribution to provident fund	34,391	30,020
Key management personnel	Remuneration and benefits - note 18.1.1 to 18.1.3	11,442	13,555

The company enters into transactions with related parties on the basis of mutually agreed terms.

- 18.1.1 The Company considers its chief executive and board of directors as members of key management personnel.
- 18.1.2 The chief executive, executive directors and certain executives are provided with free use of the company maintained cars.
- 18.1.3 Certain executives are on secondment from the group undertakings and no remuneration is charged to the Company in respect of those executives.

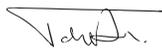
	Note	Quarter ended	
		March 31, 2025	March 31, 2024
		(Un-audited) (Rupees in thousand)	
19. CASH GENERATED FROM OPERATIONS			
Profit before taxation		(947,484)	600,237
Adjustments for non cash changes and other items:			
Levy		174,378	65,030
Depreciation		301,577	275,746
Amortisation of intangibles		2,345	745
Provision for slow moving stores and spares		52,547	30,121
Provision for obsolete stocks		764,234	589,231
Profit on short term deposits		(86,091)	(384,947)
Profit on disposal of property, plant and equipment		(28,389)	(1,613)
Finance cost		35,682	33,343
Working capital changes	19.1	1,226,200	(851,679)
		1,494,999	356,214

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM (Un-audited)
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2025**

	Quarter ended	
	March 31, 2025	March 31, 2024
	(Un-audited)	
	(Rupees in thousand)	
19.1 Working capital changes		
Decrease / (increase) in current assets		
Stores and spares	(21,377)	(70,273)
Stock in trade	(3,442,493)	3,802,395
Trade debts	(100,517)	-
Advances	76,493	115,453
Prepayments	9,235	10,845
Other receivables	(148,539)	(257,966)
	<u>(3,627,198)</u>	<u>3,600,454</u>
Increase / (decrease) in current liabilities		
Trade and other payables	<u>603,485</u>	<u>(3,465,078)</u>
Sales tax and excise duty payable	<u>4,249,913</u>	<u>(987,055)</u>
	<u>4,853,398</u>	<u>(4,452,133)</u>
	<u>1,226,200</u>	<u>(851,679)</u>
20. CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,244,692	6,455,153
Less: Amount held as security	(18,861)	(18,861)
Short term borrowings	-	3,122,428
	<u>5,225,831</u>	<u>9,558,720</u>
21. DATE OF AUTHORISATION FOR ISSUE		
These condensed interim financial statements were authorised for issue on April 29, 2025 by the Board of Directors of the Company.		
22. GENERAL		
Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.		



Sarfaraz Ahmed Rehman
Chairman/Director



Alireza Takesh
Chief Executive Officer



Muhammad Zeeshan
Chief Financial Officer

Gender Pay Gap

Male	A	1,423.71
Female	B	1,725.61
Mean Gender Pay Gap		-21.20
Male	C	864.37
Female	D	951.07
Median Gender Pay Gap		-10.03

