



PAKISTAN TOBACCO  
COMPANY



**EXCELLING BEYOND BORDERS**

Pakistan Tobacco Company Limited

**Condensed Interim  
Financial Statements**

For the six months period ended June 30, 2020



# Corporate Information

## Board of Directors

Zafar Mahmood  
Chairman & Non-Executive Director

Usman Zahur  
MD / CEO & Executive Director

William Pegel  
Director Finance/IT

Syed Asad Ali Shah  
Legal & External Affairs Director

Syed Ali Akbar  
Marketing Director

Syed Javed Iqbal  
Non-Executive Director

Zafar Aslam  
Non-Executive Director

Tajamal Shah  
Non-Executive Director

Mohammad Riaz  
Non-Executive Director

Asif Jooma  
Non-Executive Director

Lt. Gen. (R) M. Masood Aslam  
Non-Executive Director

Belinda Joy Ross  
Non-Executive Director

## Audit Committee

Mohammad Riaz (Chairman)

Lt. Gen. (R) M. Masood Aslam

Belinda Joy Ross

Tajamal Shah

Asif Jooma

Usman Javed (Secretary)

## Company Secretary

Nauman Masood Butt

## Registered Office

Pakistan Tobacco Company Limited  
Serena Business Complex, Khayaban-e-  
Suhrwardy. P.O. Box 2549, Islamabad-44000  
Telephone: +92 (051) 2083200, 2083201  
Fax: +92 (051) 2604516  
Web: [www.ptc.com.pk](http://www.ptc.com.pk)

## Factories

Akora Khattak Factory  
P.O. Akora Khattak  
Tehsil and District Nowshera,  
Khyber Pakhtunkhwa  
Telephone: +92 (0923) 561561-72  
Fax: +92 (0923) 561502

Jhelum Factory  
G.T. Road, Kala Gujran  
Jhelum  
Telephone: +92 (0544) 646500-7  
Fax: +92 (0544) 646524

## Bankers

MCB Bank Limited  
MCB Islamic Bank Limited  
Habib Bank Limited  
National Bank of Pakistan  
Citibank N.A.  
Standard Chartered Bank (Pakistan) Ltd.  
Deutsche Bank AG

## Auditors

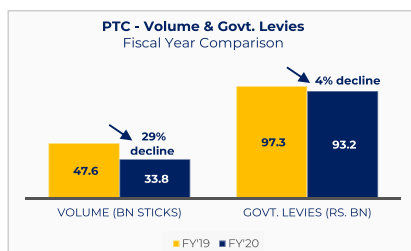
KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building No. 5  
Jinnah Avenue, Blue Area, Islamabad. 44000  
Telephone: +92 (051) 2823558  
Fax: +92 (051) 2822671

## Share Registrar

FAMCO Associates (Pvt.) Ltd.  
8-F, Near Hotel Faran, Nursery, Block 6,  
P.E.C.H.S, Shahrah-e-Faisal,  
Karachi  
Ph: +92 (021) 34380101-2

## Directors' Review

An excise led price increase in 2019 resulted in an increased price gap between the legitimate cigarette brands and the locally manufactured Duty Not Paid (DNP) brands, adversely impacting volumes of the legitimate industry. In addition, due to high inflationary pressures and economic slowdown post the COVID-19 outbreak, a contraction in spend across all categories has been evidenced. During the period under review, PTC's sales volume declined by 22% to 18.8bn sticks. Share of DNP brands in the overall cigarette market grew by 4.7pp following the 93% excise increase during Sep 2018 and June 2019 federal budgets.



Due to this excessive increase in excise rates, PTC lost significant volume to DNP (29% decline during fiscal year) leading to a decline of 4% in Government Levies payment during FY'19/20. With growing DNP market share, total estimated loss to Government exchequer in FY'19/20 amounted to Rs. 77bn. In order to address the high price gap, duty paid legitimate tobacco industry engaged with the Government on a budget proposal for FY'20/21 to curtail the growth of illicit and generate additional Rs. 24bn in revenue collection. The proposal did not make it part of the final budget.

Post the announcement of the Federal Budget for FY'20/21 in June 2020 wherein excise rate on cigarettes remained unchanged leading to no price increase on legitimate brands. This budget outcome does not address the existing price gap of Rs. 40/pack between legitimate brands and DNP brands. Without any fiscal intervention to address the price gap, enforcement remains the key to keep the growing DNP segment in check. Enforcement efforts by the Government need to be significantly scaled up with dedicated human and financial resources to create a level playing field for the legitimate industry.

Apart from the growth of DNP brands, the rapid growth of counterfeit products in the market remains another serious challenge for the Company. This has resulted in further loss of sales volumes for PTC. It is estimated that PTC lost approximately 1.6 bn cigarette sticks in H1'20 to counterfeit products. The full year projection of volume loss for 2020 is 2.8 bn sticks. In the absence of strict enforcement measures, PTC continues to explore various commercial solutions to introduce pack differentiation elements to protect its consumer base against counterfeit products.

In March 2020, the Ministry of National Health Services, Regulations and Coordination (Ministry) issued a Statutory Regulatory Order No. 72(I)/2020 (SRO) further prohibiting advertisement, promotion and sponsorship of tobacco and tobacco products. Pakistan is already a heavily regulated market for tobacco products, however the 37.7% DNP market does not comply with the current laws. More legislation will only impact the legitimate tax paying industry and further fuel the growth of illicit volume. PTC filed a writ petition before the Sindh High Court (SHC) on 11th March 2020, challenging the lawfulness of the SRO. The SHC has issued notices to the Ministry; however, progress in the case has been slow due to the COVID-19 pandemic.

Key financial indicators of the Company for the period ended June 30, 2020 are given below:

	Rs (million)	
	Jan - Jun, 2020	Jan - Jun, 2019
Domestic Turnover	<b>83,471</b>	79,975
Export Turnover	<b>2,413</b>	295
FED & Sales Tax	<b>54,521</b>	52,273
Net Turnover	<b>31,363</b>	27,997
Cost of Sales	<b>15,982</b>	13,458
Gross Profit	<b>15,381</b>	14,539
Operating Profit	<b>10,086</b>	9,615
Profit Before Tax – PBT	<b>10,440</b>	10,153
Profit After Tax – PAT	<b>7,614</b>	7,053
Earnings Per Share – EPS (Rs)	<b>29.80</b>	27.61

Domestic turnover in H1'20 increased by 4% vs Same Period Last Year (SPLY) on the back of the excise led price increase implemented earlier despite 22% volume decline. Exports Turnover growth was driven by a significant increase in export volumes as compared to SPLY, which is a testament of the Company's commitment to support the export agenda of the Government of Pakistan. The Company exported 0.8 bn sticks and 2.5 Mn kgs of raw tobacco in the first half of 2020 with turnover amounting to \$15.7mn.

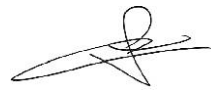
The increase in cost of sales was primarily due to cost pressures stemming from rapid devaluation of the Pak Rupee, local inflation and additional spend on COVID-19 related SOP compliance. The currency is expected to remain under pressure for the rest of the year and hence the Company remains committed to cost saving initiatives through increasing operating efficiencies.

Despite COVID-19 disruptions, the Company's operations are faring well. Production facilities and all offices have resumed operations while abiding by the SOPs mandated by the Government.

Management of the Company is committed to deliver in line with expected results despite the unprecedented times, whilst ensuring safety of its employees and valued business partners.



**Usman Zahur**  
MD / Chief Executive Officer



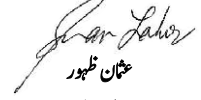
**William Pegel**  
Chief Financial Officer / Director

کمپنی کی انتظامیہ پر عزم ہے کہ وہ باوجود ان غیر معمولی حالات کے، متوقع نتائج کو حاصل کرنے کے لیے اپنی بہترین صلاحیتیں دکھائے گی اور اسی دوران اپنے ملازمین اور اپنے قابل قدر کاروباری شراکت داروں کے تحفظ کو بھی یقینی بنائے گی۔



ولیم حسین

سی ایف او اور ڈائریکٹر فنانس



عثمان ظہور

ٹیچنگ ڈائریکٹر / سی ای او

بھاری قانون سازی کرنے والی مارکیٹ ہے، تاہم 37.7% ڈی این پی مارکیٹ موجودہ قوانین کی پرواہ نہیں کرتا۔ مزید قانون سازی محض قانونی اور ٹیکس دہندہ صنعت ہی کو متاثر کرے گی اور غیر قانونی کاروبار کے حجم میں مزید اضافے کا سبب بنے گی۔ پی ٹی سی نے 11 مارچ 2020 کو سندھ ہائی کورٹ (ایس ایچ سی) میں ایک رٹ پٹیشن دائر کی ہے، جس میں مذکورہ ایس آر او کی قانونی حیثیت کو چیلنج کیا گیا ہے۔ سندھ ہائی کورٹ نے متعلقہ وزارت کو نوٹس جاری کر دیئے ہیں، مگر حالیہ عالمی وبا کوئیڈ-19 کی وجہ سے بد قسمتی سے یہ کیس سست روٹی کا شکار ہے۔

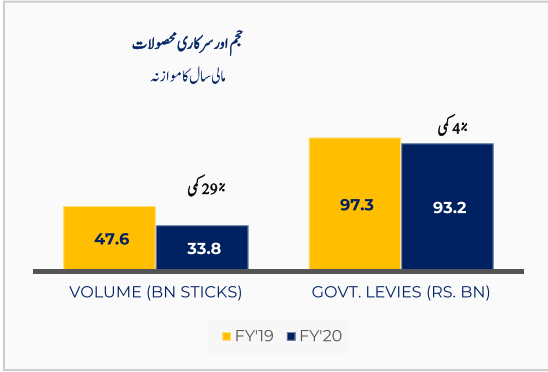
30 جون 2020 کو ختم ہونے والے دورانیے میں کمپنی کے اہم ترین مالیاتی اشاریے درج ذیل ہیں:

روپے (ملین)		
2019، جنوری سے جون،	2020، جنوری سے جون،	
79,975	<b>83,471</b>	(Domestic Turnover) مقامی فروخت
295	<b>2,413</b>	(Export Turnover) برآمدی فروخت
52,273	<b>54,521</b>	(FED & Sales Tax) فیڈرل ایکسائز ڈیوٹی اور سیلز ٹیکس
27,997	<b>31,363</b>	(Net Turnover) خالص وصولیات
13,458	<b>15,982</b>	(Cost of Sales) لاگت برائے فروخت
14,539	<b>15,381</b>	(Gross Profit) مجموعی منافع
9,615	<b>10,086</b>	(Operating Profit) کاروباری منافع
10,153	<b>10,440</b>	(Profit Before Tax – PBT) قبل از ٹیکس منافع
7,053	<b>7,614</b>	(Profit After Tax – PAT) بعد از ٹیکس منافع
27.61	<b>29.80</b>	Earnings Per Share – EPS (Rs) آمدنی فی حصص (روپے)

2020 کی پہلی ششماہی میں مقامی فروخت سے حاصل شدہ آمدن میں پچھلے سال کی اسی مدت (SPLY) کی نسبت 4% اضافہ ہوا۔ باوجود اس بات کے کہ فروخت کے حجم میں 22% کمی واقع ہوئی، فروخت سے حاصل شدہ آمدن میں اضافے کی وجہ لاگو شدہ ایکسائز کو قیمت کا حصہ بنانا تھا۔ برآمدی فروخت سے حاصل شدہ آمدنی میں اضافے کی وجہ پچھلے سال اسی مدت کے مقابلے (SPLY) میں اس سال برآمدات میں نمایاں اضافہ ہے۔ یہ اضافہ حکومت پاکستان کے برآمدی ایجنڈہ کو آگے بڑھانے کے کمپنی کے عزم کا آئینہ دار ہے۔ کمپنی نے 2020 کی پہلی ششماہی میں 0.8 رب کی تعداد میں سگریٹ اور 2.5 ملین کلوگرام خام تمباکو برآمد کیا، جس سے تقریباً 15.7 ملین ڈالر کی آمدن ہوئی۔

لاگتِ فروخت میں اضافے کی بنیادی وجوہات میں پاکستانی روپے کی قدر میں تیزی سے کمی، مقامی افراطِ زر، اور کوئیڈ-19 سے متعلقہ ایس او پیز پر عمل درآمد کے سلسلے میں کیے جانے والے زائد اخراجات شامل ہیں۔ توقع یہ ہے کہ کرنسی کی قدر پر دباؤ اس سال کے آخر تک جاری رہے گا، اسی لیے کمپنی نے یہ عزم کیا ہے کہ وہ دوران کار مستعدی میں بہتری لانے کے ذریعے لاگت میں کمی کرنے کے اقدامات کرے گی۔

کوئیڈ-19 کی وجہ سے پیدا ہونے والی اتتری اور رکاوٹوں کے باوجود کمپنی کے کام اچھی طرح سے چل رہے ہیں۔ پیداواری مقامات اور دفاتر نے حکومت کی جانب سے ہدایت شدہ ایس او پیز پر مکمل عمل درآمد کرتے ہوئے اپنا کام شروع کر دیا ہے۔



2019 میں عائد کردہ ایکسائز ڈیوٹی نے سگریٹ کے قانونی برائڈز اور مقامی طور پر تیار کردہ ڈیوٹی ادا کرنے والے (DNP) برائڈز کی قیمتوں کے درمیان فرق کافی بڑھا دیا، جس سے قانونی صنعت کے حجم پر بہت منفی اثر پڑا۔ اس کے ساتھ ساتھ افراط زر کے دباؤ اور کوویڈ-19 کی وجہ سے پیدا شدہ معاشی تنزلی کے سبب تمام اقسام یا کیٹیگریز پر سرمایہ کاری میں واضح سکڑاؤ نظر آیا۔ زیر چارجز عرصے کے دوران پٹی سی کی فروخت کا حجم 22% کم ہو کر 18.8 ارب اسٹاکس پر آیا۔ ستمبر

2018 میں اور جون 2019 کے وفاقی بجٹ میں ایکسائز میں 93% اضافے کی وجہ سے ڈیوٹی ادا کرنے والے (DNP) برائڈز کے مارکیٹ شیئر میں 4.3% اضافہ ہوا۔

ایکسائز کی شرحوں میں اس بڑے اضافے کی وجہ سے پٹی سی نے اپنے حجم کا نمایاں حصہ ڈی این پی کے ہاتھوں کھو دیا (جو کہ مالی سال کے دوران 29% رہا)، جس کے نتیجے میں مالی سال 19/20 میں حکومت کو محصولات کی ادائیگی میں 4% کمی ہوئی۔ ڈی این پی کے مارکیٹ میں پھیلتی ہوئی حصہ داری کی وجہ سے مالی سال 19/20 میں سرکاری خزانے کو تقریباً 77 ارب روپے کا خسارہ ہوا۔ قیمتوں کے اس بے حد نمایاں فرق کے مسئلے کے حل کے لیے محصول ادا کرنے والی تمباکو کی قانونی صنعت حکومت کے ساتھ مالی سال 20/21 کے لیے ایک تجویز پر مذاکرات میں مصروف رہی، تاکہ غیر قانونی کاروبار کے پھیلاؤ کو روکا جاسکے اور آمدن کی وصولی میں 24 ارب روپے کا مزید اضافہ ممکن ہو۔ لیکن یہ تجویز حتمی بجٹ کا حصہ نہ بن سکی۔

مالی سال 20/21 کے لیے جون میں پیش کردہ وفاقی بجٹ میں سگریٹ پر ایکسائز کی شرح میں کوئی تبدیلی نہیں کی گئی۔ اس کی وجہ سے قانونی طور پر تیار کردہ سگریٹ کی قیمتوں میں اضافہ نہیں ہوا۔ لیکن یہ بجٹ کا یہ نکتہ قانونی طور پر تیار شدہ برائڈز اور ڈی این پی برائڈز کے پیکٹ کی قیمتوں کے درمیان 40 روپے فی پیکٹ کے فرق کے مسئلے کو حل نہیں کرتا۔ کسی بھی سالانہ مالیاتی حل کی غیر موجودگی میں ڈی این پی شیجے کے بڑھتے ہوئے پھیلاؤ کو روکنے کے لیے قانون کا سختی سے نفاذ بنیادی حیثیت رکھتا ہے۔ اس بات کی اشد ضرورت ہے کہ حکومت قانون کے نفاذ میں تیزی اور مضبوطی لائے اور اس مقصد کے لیے بہترین انسانی اور مالیاتی وسائل مہیا کرے، تاکہ قانونی صنعت کو اپنا کاروبار چلانے کے لیے مساوی مواقع ملیں۔

ڈی این پی برائڈز کے بڑھتے ہوئے پھیلاؤ کے ساتھ ساتھ کمپنی کے لیے ایک انتہائی سنجیدہ مسئلہ مارکیٹ میں موجود نقلی مال کا بھی ہے۔ اس کی وجہ سے پٹی سی کی فروخت کے حجم میں مزید کمی آئی ہے۔ ایک تخمینے کے مطابق سال 2020 کی پہلی شش ماہی میں پٹی سی مارکیٹ میں نقلی سگریٹوں کی موجودگی کی وجہ سے 1.6 ارب کی تعداد میں سگریٹوں کا نقصان ہوا ہے۔ اس میں سال 2020 کے پورے سال کے لیے سگریٹوں کی تعداد کے نقصان کا اندازہ 2.8 ارب سگریٹ ہیں۔ قانونی اقدامات کے موثر عمل درآمد کی عدم موجودگی کی وجہ سے اس مسئلے پر قابو پانے کے لیے پٹی سی اپنے ٹیکس کی نمایاں اور الگ پہچان برقرار رکھنے اور اپنے گاہکوں کو نقلی پراڈکٹس سے بچانے کے لیے نت نئے کاروباری طریقے اور حل اختیار کر رہی ہے۔

مارچ 2020 کو وزارت قومی ہیلتھ سروسز، ریگولیٹریشن اینڈ آرڈر نییشن (وزارت) نے قانونی نظم و ضبط کا حکم نامہ نمبر 72(1)/2020 (ایس آر آ) جاری کیا، جس کے تحت تمباکو اور تمباکو سے بنی تمام ایشیا کی اشتہار بازی، مشہوری، اور مالی سرپرستی پر پابندی لگا دی گئی۔ پاکستان پہلے ہی سے تمباکو کی مصنوعات پر



# INDEPENDENT AUDITOR'S REVIEW REPORT

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

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Tobacco Company Limited as at June 30, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended 30 June 2020 and 30 June 2019 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' review report is Atif Zamurrad Malik.



**KPMG Taseer Hadi & Co**  
Chartered Accountants

Date: August 11, 2020  
Islamabad

# Condensed Interim Profit or Loss Account (Un-audited)

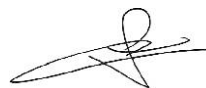
for the six months period ended June 30, 2020

	Note	Quarter ended		Half year ended	
		June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
Domestic turnover		46,052,493	44,071,984	83,471,340	79,975,052
Export turnover		1,225,218	210,362	2,413,109	295,131
<b>Gross turnover</b>		<b>47,277,711</b>	<b>44,282,346</b>	<b>85,884,449</b>	<b>80,270,183</b>
Excise duties		(22,885,900)	(22,039,460)	(41,924,532)	(40,164,422)
Sales tax		(6,942,365)	(6,679,998)	(12,596,914)	(12,108,195)
<b>Net turnover</b>		<b>17,449,446</b>	<b>15,562,888</b>	<b>31,363,003</b>	<b>27,997,566</b>
Cost of sales	7	(8,219,307)	(6,756,134)	(15,981,625)	(13,458,414)
<b>Gross profit</b>		<b>9,230,139</b>	<b>8,806,754</b>	<b>15,381,378</b>	<b>14,539,152</b>
Selling and distribution costs		(1,793,565)	(1,083,032)	(2,805,638)	(2,131,538)
Administrative expenses		(625,886)	(975,096)	(1,529,451)	(1,673,156)
Other expenses	8	(554,709)	(882,140)	(967,263)	(1,218,601)
Other income	9	7,078	68,698	6,991	98,845
		(2,967,082)	(2,871,570)	(5,295,361)	(4,924,450)
<b>Operating profit</b>		<b>6,263,057</b>	<b>5,935,184</b>	<b>10,086,017</b>	<b>9,614,702</b>
Finance income	10	347,482	406,739	463,420	617,020
Finance cost		(50,114)	(56,000)	(109,483)	(78,387)
Net finance income		297,368	350,739	353,937	538,633
<b>Profit before income tax</b>		<b>6,560,425</b>	<b>6,285,923</b>	<b>10,439,954</b>	<b>10,153,335</b>
Income tax expense		(1,766,674)	(2,024,851)	(2,825,525)	(3,100,032)
<b>Profit for the period</b>		<b>4,793,751</b>	<b>4,261,072</b>	<b>7,614,429</b>	<b>7,053,303</b>
Earnings per share - basic and diluted (Rupees)		18.76	16.68	29.80	27.61

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



Usman Zahur  
MD / Chief Executive Officer



William Pegel  
Chief Financial Officer / Director

# Condensed Interim Statement of Comprehensive Income (Un-audited)

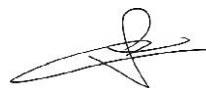
for the six months period ended June 30, 2020

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
Profit for the period	4,793,751	4,261,072	7,614,429	7,053,303
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,793,751</b>	<b>4,261,072</b>	<b>7,614,429</b>	<b>7,053,303</b>

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



Usman Zahur  
MD / Chief Executive Officer



William Pegel  
Chief Financial Officer / Director

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

as at June 30, 2020

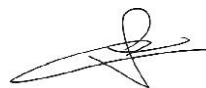
	Note	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>Non current assets</b>			
Property, plant and equipment	11	11,830,661	12,322,830
Advances for capital expenditure		154,599	175,783
Long term investment in subsidiary company	12	5,000	5,000
Long term deposits and prepayments		31,458	30,759
		12,021,718	12,534,372
<b>Current assets</b>			
Stock-in-trade		16,426,996	21,422,543
Stores and spares		667,222	663,999
Trade debts		1,562	4,260
Loans and advances	13	1,163,020	125,644
Short term prepayments		39,490	15,921
Other receivables	14	1,710,696	2,131,912
Short term investments		13,322,521	3,001,058
Cash and bank balances	15	383,001	535,905
		33,714,508	27,901,242
<b>Current liabilities</b>			
Lease liability	16	483,015	376,065
Accrued interest / mark-up		9,223	25,735
Unclaimed dividend		77,808	78,235
Unpaid dividend		5,644,384	66,740
Trade and other payables	18	13,712,282	16,295,217
Other liabilities		3,145,857	2,865,822
Current income tax liabilities		843,787	449,395
		(23,916,356)	(20,157,209)
<b>Net current assets</b>		9,798,152	7,744,033
<b>Non current liabilities</b>			
Lease liability	16	1,147,617	1,341,607
Deferred tax liabilities		643,326	645,943
		1,790,943	1,987,550
<b>Net assets</b>		20,028,927	18,290,855
<b>Share capital and reserves</b>			
Share capital	19	2,554,938	2,554,938
Revenue reserve - Unappropriated profit		17,473,989	15,735,917
		20,028,927	18,290,855

Contingencies and commitments 20

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



**Usman Zahur**  
MD / Chief Executive Officer



**William Pegel**  
Chief Financial Officer / Director

# Condensed Interim Statement of Changes in Equity (Un-audited)

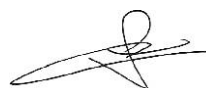
for the six months period ended June 30, 2020

	Share capital Rs '000	Revenue reserves Rs '000	Total Rs '000
<b>Balance at January 1, 2019</b>	2,554,938	15,210,686	17,765,624
Total comprehensive income for the period:			
Profit for the period	-	7,053,303	7,053,303
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	7,053,303	7,053,303
Transactions with owners of the Company:			
Final dividend for the year ended December 31, 2018 @ Rs. 22 per share	-	(5,620,863)	5,620,863
<b>Balance at June 30, 2019</b>	2,554,938	16,643,126	19,198,064
<b>Balance at January 1, 2020</b>	2,554,938	15,735,917	18,290,855
Total comprehensive income for the period:			
Profit for the period	-	7,614,429	7,614,429
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	7,614,429	7,614,429
Transactions with owners of the Company:			
Final dividend relating to year ended December 31, 2019 @ Rs. 23 per share	-	(5,876,357)	(5,876,357)
<b>Balance at June 30, 2020</b>	2,554,938	17,473,989	20,028,927

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



**Usman Zahur**  
MD / Chief Executive Officer



**William Pegel**  
Chief Financial Officer / Director

# Condensed Interim Statement of Cash Flows (Un-audited)

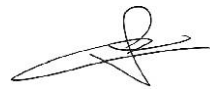
for the six months period ended June 30, 2020

	Note	Half year ended	
		June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	13,381,371	4,521,894
Finance cost paid		(125,995)	(81,734)
Income tax paid		(2,433,750)	(2,676,998)
Contribution to retirement benefit funds		(494,379)	(344,623)
<b>Net cash from operating activities</b>		<b>10,327,247</b>	<b>1,418,539</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(218,374)	(567,532)
Proceeds from sale of property, plant and equipment		69,580	94,658
Interest received		463,420	617,020
<b>Net cash from investing activities</b>		<b>314,626</b>	<b>144,146</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(299,140)	(5,772,645)
Lease payments		(174,174)	(370,302)
<b>Net cash used in financing activities</b>		<b>(473,314)</b>	<b>(6,142,947)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>10,168,559</b>	<b>(4,580,262)</b>
Cash and cash equivalents at January 1		3,536,963	8,917,131
<b>Cash and cash equivalents at June 30</b>		<b>13,705,522</b>	<b>4,336,869</b>
<b>Cash and cash equivalents comprise:</b>			
Short-term investments		13,322,521	4,604,129
Cash and bank balances	15	383,001	226,256
Short term running finance		-	(493,516)
		<b>13,705,522</b>	<b>4,336,869</b>

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



**Usman Zahur**  
MD / Chief Executive Officer



**William Pegel**  
Chief Financial Officer / Director

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

for the six months period ended June 30, 2020

## 1. The Company and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is a subsidiary of the British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and sale of cigarettes/tobacco.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

During the half year ended 30 June 2020, the COVID-19 pandemic emerged which impacted the economy of country in general, however the Company has not experienced any major disruptions to the operations or decline in revenue due to temporary lockdown imposed by the Government to counter COVID-19 outbreak.

## 2. Statement of compliance

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. Basis of preparation

These interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2019 ('last annual financial statements'). This interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Comparative figures of condensed interim statement of financial position is extracted from annual financial statements as of December 31, 2019 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the half year ended June 30, 2019.

These condensed interim financial statements are un-audited and is being submitted to the members of the Company as required under Section 237 of the Companies Act 2017, and the listing regulations of the Pakistan Stock Exchange. These condensed interim financial statements have been reviewed, not audited and also include the statement of profit or loss for the quarter ended June 30, 2020 which was not subject to review.

## 4. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

for the six months period ended June 30, 2020

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

## Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 5. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2019.

## 6. Standards issued but not effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 01, 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards.

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>7. Cost of sales</b>				
Raw material consumed:				
Opening stock of raw materials and work in process	17,710,010	14,752,207	19,573,174	16,944,127
Raw material purchases and expenses	3,401,624	2,569,861	8,274,711	7,149,759
Excise duty, customs duty and tobacco development cess etc.	100,657	311,301	524,657	713,421
Closing stock of raw materials and work in process	(14,544,894)	(12,430,303)	(14,544,894)	(12,430,303)
	6,667,397	5,203,066	13,827,648	12,377,004
Royalty	128,486	(1,602,731)	248,594	(1,497,543)
Production overheads	1,024,800	1,053,361	1,927,759	1,856,308
	7,820,683	4,653,696	16,004,001	12,735,769
Cost of finished goods				
Opening stock	2,280,725	2,928,210	1,859,725	1,548,417
Closing stock	(1,882,101)	(825,772)	(1,882,101)	(825,772)
	398,624	2,102,438	(22,376)	722,645
	8,219,307	6,756,134	15,981,625	13,458,414



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

for the six months period ended June 30, 2020

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>8. Other expenses</b>				
Workers' Profit Participation Fund (WPPF)	352,332	337,590	560,685	545,292
Workers' Welfare Fund (WWF)	133,886	128,284	213,060	207,211
Bank charges and fees	9,092	4,760	17,434	16,147
Interest to Workers' Profit Participation Fund (WPPF)	-	-	1,263	-
Foreign exchange loss	59,399	411,506	174,821	449,951
	554,709	882,140	967,263	1,218,601
<b>9. Other income</b>				
Income from services to associated companies:				
- BAT SAA (Private) Limited	-	65,900	-	65,900
- BAT Bangladesh	-	3,837	-	3,837
	-	69,737	-	69,737
Gain on disposal of property, plant and equipment	6,641	(1,431)	6,126	28,392
Others	437	392	865	716
	7,078	68,698	6,991	98,845

## 10. Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 6.50% and 13.24% (half year ended June 30, 2019 : 4.65% and 12.43%) per annum and is received on maturity.

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

for the six months period ended June 30, 2020

	Note	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>11. Property, plant and equipment</b>			
Operating fixed assets	11.1	11,446,431	11,590,196
Capital work in progress	11.2	384,230	732,634
		<b>11,830,661</b>	<b>12,322,830</b>
<b>11.1 Operating fixed assets</b>			
Carrying amount at January 01			
-Owned Assets		9,533,952	8,170,276
-Right of use assets			
Land and building		1,228,044	-
Vehicles		828,200	-
Additions during the half year/year:			
- Owned assets			
Building		33,264	936
Plant and machinery		434,568	2,455,823
Office and household equipment		87,294	357,497
Vehicles		-	58,219
Furniture and fittings		15,894	16,649
		571,020	2,889,124
- Right of use assets			
Land and building		27,437	1,559,221
Vehicles		76,639	504,593
		675,096	4,952,938
Disposals during the half year/year (net book value):			
- Owned assets			
Building		(121)	(64)
Plant and machinery		(34,060)	(32,463)
Office and household equipment		(326)	(823)
Furniture and fittings		(535)	(191)
Vehicles		-	(3,913)
		(35,042)	(37,454)
- Right of use assets			
Vehicles		(28,412)	(128,088)
		(63,454)	(165,542)
Depreciation / impairment charge for the half year/year:		(755,407)	( 1,367,476)
Carrying amount at June 30/ December 31		<b>11,446,431</b>	<b>11,590,196</b>

**11.1.1** During the half year ended 30 June 2020, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 675,096 thousand (half year ended 30 June 2019: Rs. 3,068,247 thousand). Operating fixed assets having net book value of Rs. 63,454 thousand were disposed off during half year ended 30 June 2020 (half year ended 30 June 2019: Rs. 66,266 thousand). Depreciation charge for half year ended 30 June 2020 was Rs. 755,407 thousand (half year ended 30 June 2019: Rs. 652,566 thousand).

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

for the six months period ended June 30, 2020

	June 30, 2020 (Un-audited) Rs '000	December 31,2019 (Audited) Rs '000
<b>11.2 Capital work in progress</b>		
Balance as at the beginning of the period	732,634	960,551
Additions during the half year/year	120,594	1,419,007
	853,228	2,379,558
Transferred to operating fixed assets	(468,998)	(1,646,924)
Carrying amount as at end of the period	384,230	732,634

## 12. Long term investment in subsidiary company

This represents 500,001 (December 31, 2019: 500,001) fully paid ordinary shares of Rs.10 each in Phoenix (Private) Limited, a wholly owned subsidiary of the Company which has not yet commenced commercial production. The break up value of shares calculated by reference to net assets worked out to be Rs.10 per share based on financial statements for the half year ended June 30, 2020.

## 13. Loans and advances

These include non-interest bearing advances to employees of Rs. 22,551 thousand (December 31, 2019: Rs. 36,419 thousand).

## 14. Other receivables

These include following balances due from related parties:

	Note	June 30, 2020 (Un-audited) Rs '000	December 31,2019 (Audited) Rs '000
Holding company / associated companies		95,101	188,638
Subsidiary company		20,021	20,021
Employees retirement benefit plans		1,135,564	881,821
<b>15. Cash and bank balances</b>			
Cash at banks			
- deposit accounts		7,804	9,075
- current accounts	15.1	371,737	525,156
		379,541	534,231
Cash in hand		3,460	1,674
		383,001	535,905

**15.1** These include balances of Rs. 187,360 thousand (December 31, 2019: Rs. 145,874 thousand) held in foreign currency accounts.

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

for the six months period ended June 30, 2020

## 16. Lease liability

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total gross lease rentals due under various lease agreements aggregate to Rs 2,165,174 thousand - short term Rs 648,958 thousand and long term Rs 1,516,216 thousand (December 31, 2019: Rs 2,313,780 thousand - short term Rs 552,925 thousand and long term Rs 1,760,855 thousand).

The net lease liability amounts to Rs 1,630,632 thousand - short term Rs 483,015 thousand and long term Rs 1,147,617 thousand ( December 31, 2019: 1,717,672 thousand-short term Rs 376,065 thousand and long term Rs 1,341,607 thousand).

Financing rates of 8.61% to 14.61% (December 31, 2019: 12.35% to 15.36%) per annum have been used as discounting factor.

## 17. Short term running finance-secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 6,500 million (December 31, 2019: Rs.6,500 million), which remained unavailed at the period end. These facilities are secured by hypothecation of stock in trade and plant & machinery amounting to Rs.7,222 million (December 31, 2019: Rs.7,222 million). The mark-up ranges between 8.41% and 13.88% (2019: 10.52% and 14.05%) per annum and is payable quarterly. The facilities are renewable on annual basis.

## 18. Trade and other payables

### 18.1 These include following balances due to related parties:

	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
Holding company / associated companies	1,431,686	1,397,088
Employees retirement benefit plans	236,549	413,632

18.2 These also include 'contract liabilities' representing advances from customers amounting to Rs 22,628 thousand (December 31, 2019: Rs16,817 thousand).

## 19. Share capital

Authorised share capital of the Company is Rs. 3,000,000 thousand (December 31, 2019: Rs. 3,000,000 thousand) divided into 300,000,000 ordinary shares of Rs. 10 each. Issued, subscribed and paid up capital of the Company is Rs. 2,554,938 thousand (December 31, 2019: Rs. 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs. 10 each.

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

for the six months period ended June 30, 2020

	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>20. Contingencies and commitments</b>		
<b>20.1 Contingencies</b>		
<b><i>Claims and guarantees</i></b>		
Claims against the Company not acknowledged as debt	75,706	75,706
Guarantees issued by banks on behalf of the Company	397,376	385,730
<b><i>Litigation</i></b>		
There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2019.		
	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>20.2 Commitments</b>		
Capital expenditure	1,914,971	-
Letters of credit outstanding	1,544,231	83,392
	Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>21. Cash generated from operations</b>		
Profit before income tax	10,439,954	10,153,335
<b>Adjustment for non-cash items:</b>		
- Depreciation	755,407	652,566
- (Gain) on disposal of property, plant and equipment	(6,126)	(28,392)
- Finance cost	109,483	78,387
- Finance income	(463,420)	(617,020)
- Exchange loss	174,821	449,951
- Reversal of provision for stock-in-trade	-	(3,154)
- Provision for slow moving stores and spares	233	-
- Provision for staff retirement benefit plans	141,672	131,732
	712,070	664,070
<b>Changes in working capital:</b>		
- Stock-in-trade	4,995,547	5,236,469
- Stores and spares	(2,990)	(233,880)
- Trade debts	2,698	(10)
- Loans and advances	(1,037,376)	(442,026)
- Short term prepayments	(23,569)	226,689
- Other receivables	672,357	(2,978)
- Trade and other payables	(2,656,656)	(10,815,307)
- Other liabilities	280,035	(266,519)
	2,230,046	(6,297,562)
Changes in long term deposits and prepayments	(699)	2,051
	13,381,371	4,521,894

## Notes to the Condensed Interim Financial Statements (Un-audited) for the six months period ended June 30, 2020

### 22. Financial instruments

#### 22.1 Carrying amounts and fair values

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

	June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss
	Rs '000		Rs '000	
<b>Financial assets measured at fair value</b>				
Short-term investment	13,322,521	-	13,322,521	3,001,058
Deposits	31,458	-	31,458	30,759
<b>Financial assets not measured at fair value</b>				
Trade debts	-	1,562	1,562	4,260
Other receivables	-	1,710,696	1,710,696	2,131,912
Cash and bank balances	-	383,001	383,001	535,905
	13,353,979	2,095,259	15,449,238	3,031,817
				2,672,077
				5,703,894
<b>Financial liabilities not measured at fair value</b>				
Finance lease obligation	-	(1,630,632)	(1,630,632)	(1,717,672)
Accrued interest / mark-up	-	(9,223)	(9,223)	(25,735)
Trade and other payables	-	(7,116,341)	(7,116,341)	(6,884,278)
	-	(8,756,196)	(8,756,196)	(8,627,685)

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

#### 22.2 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2019.

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

for the six months period ended June 30, 2020

## 23. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2019: 94.34%) shares of the Company. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Company. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Company.

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

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>Purchase of goods and services from</b>				
Holding company	354,789	288,804	708,018	486,892
Associated companies	1,163,504	861,506	1,609,076	1,008,548
<b>Sale of goods and services to</b>				
Associated companies	1,355,806	308,652	2,632,322	386,319
<b>Dividend</b>				
Holding company	5,562,629	5,320,775	5,562,629	5,320,775
<b>Royalty charged by</b>				
Associate companies	128,486	(1,602,731)	248,594	(1,497,543)
<b>Expenses reimbursed to</b>				
Holding company	3,699	-	16,701	-
Associated companies	11,103	-	11,103	-
<b>Expenses reimbursed by</b>				
Holding company	9,321	-	29,000	675
Associated companies	88,343	82,940	139,690	118,392
<b>Employees retirement benefit plans - expense</b>				
Staff pension fund	(29,172)	(25,281)	(29,172)	(25,281)
Staff defined contribution pension fund	30,191	28,488	56,601	54,740
Employees' gratuity fund	32,761	31,508	63,995	55,345
Management provident fund	21,377	19,610	40,710	38,129
Employees' provident fund	5,152	4,652	9,538	8,799
<b>Remuneration of key management personnel</b>	144,785	182,079	227,651	329,430

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

for the six months period ended June 30, 2020

## 24. Events after the reporting date

The Board of Directors in its meeting held on 24 July 2020 has declared the first interim dividend of Rs 15.00 (2019: Rs 13.00) per share. This interim dividend of Rs 3,832,407 thousand (2019: Rs 3,321,419 thousand) will be recorded as liability in the interim financial statements for the next quarter as required by the IAS 10 'Events after the Balance Sheet Date'. These condensed interim financial statements do not reflect this dividend.

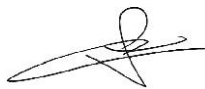
## 25. Date of authorisation for issue

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on 24th July, 2020.



**Usman Zahur**

MD / Chief Executive Officer



**William Pegel**

Chief Financial Officer / Director



# Consolidated Condensed Interim Profit or Loss Account (Un-audited)

for the six months period ended June 30, 2020

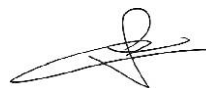
	Note	Quarter ended		Half year ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		Rs '000	Rs '000	Rs '000	Rs '000
Domestic turnover		46,052,493	44,071,984	83,471,340	79,975,052
Export turnover		1,225,218	210,362	2,413,109	295,131
<b>Gross turnover</b>		<b>47,277,711</b>	<b>44,282,346</b>	<b>85,884,449</b>	<b>80,270,183</b>
Excise duties		(22,885,900)	(22,039,460)	(41,924,532)	(40,164,422)
Sales tax		(6,942,365)	(6,679,998)	(12,596,914)	(12,108,195)
<b>Net turnover</b>		<b>17,449,446</b>	<b>15,562,888</b>	<b>31,363,003</b>	<b>27,997,566</b>
Cost of sales	7	(8,219,307)	(6,756,134)	(15,981,625)	(13,458,414)
<b>Gross profit</b>		<b>9,230,139</b>	<b>8,806,754</b>	<b>15,381,378</b>	<b>14,539,152</b>
Selling and distribution costs		(1,793,565)	(1,083,032)	(2,805,638)	(2,131,538)
Administrative expenses		(625,886)	(975,096)	(1,529,451)	(1,673,156)
Other expenses	8	(554,709)	(882,140)	(967,263)	(1,218,601)
Other income	9	7,078	68,698	6,991	98,845
		(2,967,082)	(2,871,570)	(5,295,361)	(4,924,450)
<b>Operating profit</b>		<b>6,263,057</b>	<b>5,935,184</b>	<b>10,086,017</b>	<b>9,614,702</b>
Finance income	10	347,482	406,739	463,420	617,020
Finance cost		(50,114)	(56,000)	(109,483)	(78,387)
Net finance income		297,368	350,739	353,937	538,633
<b>Profit before income tax</b>		<b>6,560,425</b>	<b>6,285,923</b>	<b>10,439,954</b>	<b>10,153,335</b>
Income tax expense		(1,766,674)	(2,024,851)	(2,825,525)	(3,100,032)
<b>Profit for the period</b>		<b>4,793,751</b>	<b>4,261,072</b>	<b>7,614,429</b>	<b>7,053,303</b>
Earnings per share - basic and diluted (Rupees)		18.76	16.68	29.80	27.61

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



Usman Zahur

MD / Chief Executive Officer



William Pegel

Chief Financial Officer / Director

# Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

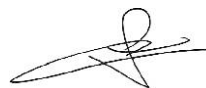
for the six months period ended June 30, 2020

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
Profit for the period	4,793,751	4,261,072	7,614,429	7,053,303
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,793,751</b>	<b>4,261,072</b>	<b>7,614,429</b>	<b>7,053,303</b>

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



**Usman Zahur**  
MD / Chief Executive Officer



**William Pegel**  
Chief Financial Officer / Director

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

as at June 30, 2020

	Note	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>Non current assets</b>			
Property, plant and equipment	11	11,855,709	12,347,878
Advances for capital expenditure		154,599	175,783
Long term deposits and prepayments		31,458	30,759
		12,041,766	12,554,420
<b>Current assets</b>			
Stock-in-trade		16,426,996	21,422,543
Stores and spares		667,222	663,999
Trade debts		1,562	4,260
Loans and advances	12	1,163,020	125,644
Short term prepayments		39,490	15,921
Other receivables	13	1,690,675	2,111,891
Short term investments		13,322,521	3,001,058
Cash and bank balances	14	383,001	535,905
		33,694,487	27,881,221
<b>Current liabilities</b>			
Lease liability	15	483,015	376,065
Accrued interest / mark-up		9,223	25,735
Unclaimed dividend		77,808	78,235
Unpaid dividend		5,644,384	66,740
Trade and other payables	17	13,712,309	16,295,244
Other liabilities		3,145,857	2,865,822
Current income tax liabilities		843,787	449,395
		(23,916,383)	(20,157,236)
<b>Net current assets</b>		9,778,104	7,723,985
<b>Non current liabilities</b>			
Lease liability	15	1,147,617	1,341,607
Deferred tax liabilities		643,326	645,943
		1,790,943	1,987,550
<b>Net assets</b>		20,028,927	18,290,855
<b>Share capital and reserves</b>			
Share capital	18	2,554,938	2,554,938
Revenue reserve - Unappropriated profit		17,473,989	15,735,917
		20,028,927	18,290,855

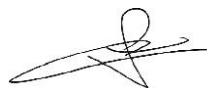
Contingencies and commitments 19

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



Usman Zahur

MD / Chief Executive Officer



William Pegel

Chief Financial Officer / Director

# Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

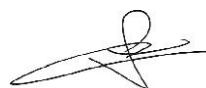
for the six months period ended June 30, 2020

	Share capital Rs '000	Revenue reserves Rs '000	Total Rs '000
<b>Balance at January 1, 2019</b>	2,554,938	15,210,686	17,765,624
Total comprehensive income for the period:			
Profit for the period	-	7,053,303	7,053,303
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	7,053,303	7,053,303
Transactions with owners of the Company:			
Final dividend for the year ended December 31, 2018 @ Rs. 22 per share	-	(5,620,863)	5,620,863
<b>Balance at June 30, 2019</b>	2,554,938	16,643,126	19,198,064
<b>Balance at January 1, 2020</b>	2,554,938	15,735,917	18,290,855
Total comprehensive income for the period:			
Profit for the period	-	7,614,429	7,614,429
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	7,614,429	7,614,429
Transactions with owners of the Company:			
Final dividend relating to year ended December 31, 2019 @ Rs. 23 per share	-	(5,876,357)	(5,876,357)
<b>Balance at June 30, 2020</b>	2,554,938	17,473,989	20,028,927

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



**Usman Zahur**  
MD / Chief Executive Officer



**William Pegel**  
Chief Financial Officer / Director

# Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

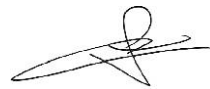
for the six months period ended June 30, 2020

	Note	Half year ended	
		June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	13,381,371	4,521,894
Finance cost paid		(125,995)	(81,734)
Income tax paid		(2,433,750)	(2,676,998)
Contribution to retirement benefit funds		(494,379)	(344,623)
<b>Net cash from operating activities</b>		<b>10,327,247</b>	<b>1,418,539</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(218,374)	(567,532)
Proceeds from sale of property, plant and equipment		69,580	94,658
Interest received		463,420	617,020
<b>Net cash from investing activities</b>		<b>314,626</b>	<b>144,146</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(299,140)	(5,772,645)
Lease payments		(174,174)	(370,302)
<b>Net cash used in financing activities</b>		<b>(473,314)</b>	<b>(6,142,947)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>10,168,559</b>	<b>(4,580,262)</b>
Cash and cash equivalents at January 1		3,536,963	8,917,131
<b>Cash and cash equivalents at June 30</b>		<b>13,705,522</b>	<b>4,336,869</b>
<b>Cash and cash equivalents comprise:</b>			
Short-term investments		13,322,521	4,604,129
Cash and bank balances	14	383,001	226,256
Short term running finance		-	(493,516)
		<b>13,705,522</b>	<b>4,336,869</b>

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



Usman Zahur  
MD / Chief Executive Officer



William Pegel  
Chief Financial Officer / Director

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

for the six months period ended June 30, 2020

## 1. The Group and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is a subsidiary of the British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and sale of cigarettes/tobacco.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

Phoenix (Private) Limited (PPL) is a private limited company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance, 1984. The registered office of PPL is situated at Bun Khurma, Chichian Road, Mirpur, Azad Jamu 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.

During the half year ended 30 June 2020, the COVID-19 pandemic emerged which impacted the economy of country in general, however the Company has not experienced any major disruptions to the operations or decline in revenue due to temporary lockdown imposed by the Government to counter COVID-19 outbreak.

## 2. Statement of compliance

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. Basis of preparation

These consolidated interim financial statements should be read in conjunction with the Group's latest annual financial statements as at and for the year ended December 31, 2019 ('last annual financial statements'). This interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Comparative figures of consolidated condensed interim statement of financial position is extracted from annual financial statements as of December 31, 2019 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the half year ended June 30, 2019.

These consolidated condensed interim financial statements are un-audited and is being submitted to the members of the Company as required under Section 237 of the Companies Act 2017, and the listing regulations of the Pakistan Stock Exchange. These condensed interim financial statements have been reviewed, not audited and also include the statement of profit or loss for the quarter ended June 30, 2020 which was not subject to review.

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

for the six months period ended June 30, 2020

## 4. Use of judgements and estimates

In preparing these consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

## Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 5. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these consolidated interim financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2019.

## 6. Standards issued but not effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 01, 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards.

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>7. Cost of sales</b>				
Raw material consumed:				
Opening stock of raw materials and work in process	17,710,010	14,752,207	19,573,174	16,944,127
Raw material purchases and expenses	3,401,624	2,569,861	8,274,711	7,149,759
Excise duty, customs duty and tobacco development cess etc.	100,657	311,301	524,657	713,421
Closing stock of raw materials and work in process	(14,544,894)	(12,430,303)	(14,544,894)	(12,430,303)
	6,667,397	5,203,066	13,827,648	12,377,004
Royalty	128,486	(1,602,731)	248,594	(1,497,543)
Production overheads	1,024,800	1,053,361	1,927,759	1,856,308
	7,820,683	4,653,696	16,004,001	12,735,769
Cost of finished goods				
Opening stock	2,280,725	2,928,210	1,859,725	1,548,417
Closing stock	(1,882,101)	(825,772)	(1,882,101)	(825,772)
	398,624	2,102,438	(22,376)	722,645
	8,219,307	6,756,134	15,981,625	13,458,414

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

for the six months period ended June 30, 2020

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>8. Other expenses</b>				
Workers' Profit Participation Fund (WPPF)	352,332	337,590	560,685	545,292
Workers' Welfare Fund (WWF)	133,886	128,284	213,060	207,211
Bank charges and fees	9,092	4,760	17,434	16,147
Interest to Workers' Profit Participation Fund (WPPF)	-	-	1,263	-
Foreign exchange loss	59,399	411,506	174,821	449,951
	<b>554,709</b>	<b>882,140</b>	<b>967,263</b>	<b>1,218,601</b>
<b>9. Other income</b>				
Income from services to associated companies:				
- BAT SAA (Private) Limited	-	65,900	-	65,900
- BAT Bangladesh	-	3,837	-	3,837
	-	69,737	-	69,737
Gain on disposal of property, plant and equipment	6,641	(1,431)	6,126	28,392
Others	437	392	865	716
	<b>7,078</b>	<b>68,698</b>	<b>6,991</b>	<b>98,845</b>

## 10. Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 6.50% and 13.24% (half year ended June 30, 2019 : 4.65% and 12.43%) per annum and is received on maturity.



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

for the six months period ended June 30, 2020

	Note	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>11. Property, plant and equipment</b>			
Operating fixed assets	11.1	11,449,795	11,593,560
Capital work in progress	11.2	405,914	754,318
		<b>11,855,709</b>	<b>12,347,878</b>
<b>11.1 Operating fixed assets</b>			
Carrying amount at January 01			
-Owned Assets		9,537,316	8,173,640
-Right of use assets			
Land and building		1,228,044	-
Vehicles		828,200	-
Additions during the half year/year:			
- Owned assets			
Building		33,264	936
Plant and machinery		434,568	2,455,823
Office and household equipment		87,294	357,497
Vehicles		-	58,219
Furniture and fittings		15,894	16,649
		571,020	2,889,124
- Right of use assets			
Land and building		27,437	1,559,221
Vehicles		76,639	504,593
		675,096	4,952,938
Disposals during the half year/year (net book value):			
- Owned assets			
Building		(121)	(64)
Plant and machinery		(34,060)	(32,463)
Office and household equipment		(326)	(823)
Furniture and fittings		(535)	(191)
Vehicles		-	(3,913)
		(35,042)	(37,454)
- Right of use assets			
Vehicles		(28,412)	(128,088)
		(63,454)	(165,542)
Depreciation / impairment charge for the half year/year:		(755,407)	( 1,367,476)
Carrying amount at June 30/ December 31		<b>11,449,795</b>	<b>11,593,560</b>

**11.1.1** During the half year ended 30 June 2020, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 675,096 thousand (half year ended 30 June 2019: Rs. 3,068,247 thousand). Operating fixed assets having net book value of Rs. 63,454 thousand were disposed off during half year ended 30 June 2020 (half year ended 30 June 2019: Rs. 66,266 thousand). Depreciation charge for half year ended 30 June 2020 was Rs. 755,407 thousand (half year ended 30 June 2019: Rs. 652,566 thousand).

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

for the six months period ended June 30, 2020

	June 30, 2020 (Un-audited) Rs '000	December 31,2019 (Audited) Rs '000
<b>11.2 Capital work in progress</b>		
Balance as at the beginning of the period	754,318	982,235
Additions during the half year/year	120,594	1,419,007
	874,912	2,401,242
Transferred to operating fixed assets	(468,998)	(1,646,924)
Carrying amount as at end of the period	405,914	754,318

## 12. Loans and advances

These include non-interest bearing advances to employees of Rs. 22,551 thousand (December 31, 2019: Rs. 36,419 thousand).

## 13. Other receivables

These include following balances due from related parties:

	Note	June 30, 2020 (Un-audited) Rs '000	December 31,2019 (Audited) Rs '000
Holding company / associated companies		95,101	188,638
Employees retirement benefit plans		1,135,564	881,821
<b>14. Cash and bank balances</b>			
Cash at banks			
- deposit accounts		7,804	9,075
- current accounts	14.1	371,737	525,156
		379,541	534,231
Cash in hand		3,460	1,674
		383,001	535,905

**14.1** These include balances of Rs. 187,360 thousand (December 31, 2019: Rs. 145,874 thousand) held in foreign currency accounts.

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

for the six months period ended June 30, 2020

## 15. Lease liability

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total gross lease rentals due under various lease agreements aggregate to Rs 2,165,174 thousand - short term Rs 648,958 thousand and long term Rs 1,516,216 thousand (December 31, 2019: Rs 2,313,780 thousand - short term Rs 552,925 thousand and long term Rs 1,760,855 thousand).

The net lease liability amounts to Rs 1,630,632 thousand - short term Rs 483,015 thousand and long term Rs 1,147,617 thousand ( December 31, 2019: 1,717,672 thousand-short term Rs 376,065 thousand and long term Rs 1,341,607 thousand).

Financing rates of 8.61% to 14.61% (December 31, 2019: 12.35% to 15.36%) per annum have been used as discounting factor.

## 16. Short term running finance-secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 6,500 million (December 31, 2019: Rs.6,500 million), which remained unavailed at the period end. These facilities are secured by hypothecation of stock in trade and plant & machinery amounting to Rs.7,222 million (December 31, 2019: Rs.7,222 million). The mark-up ranges between 8.41% and 13.88% (2019: 10.52% and 14.05%) per annum and is payable quarterly. The facilities are renewable on annual basis.

## 17. Trade and other payables

### 17.1 These include following balances due to related parties:

	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
Holding company / associated companies	1,431,686	1,397,088
Employees retirement benefit plans	236,549	413,632

17.2 These also include 'contract liabilities' representing advances from customers amounting to Rs 22,628 thousand (December 31, 2019: Rs16,817 thousand).

## 18. Share capital

Authorised share capital of the Company is Rs. 3,000,000 thousand (December 31, 2019: Rs. 3,000,000 thousand) divided into 300,000,000 ordinary shares of Rs. 10 each. Issued, subscribed and paid up capital of the Company is Rs. 2,554,938 thousand (December 31, 2019: Rs. 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs. 10 each.

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

for the six months period ended June 30, 2020

	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>19. Contingencies and commitments</b>		
<b>19.1 Contingencies</b>		
<b><i>Claims and guarantees</i></b>		
Claims against the Company not acknowledged as debt	75,706	75,706
Guarantees issued by banks on behalf of the Company	397,376	385,730
<b><i>Litigation</i></b>		
There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2019.		
	June 30, 2020 (Un-audited) Rs '000	December 31, 2019 (Audited) Rs '000
<b>19.2 Commitments</b>		
Capital expenditure	1,914,971	-
Letters of credit outstanding	1,544,231	83,392
	Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>20. Cash generated from operations</b>		
Profit before income tax	10,439,954	10,153,335
<b>Adjustment for non-cash items:</b>		
- Depreciation	755,407	652,566
- (Gain) on disposal of property, plant and equipment	(6,126)	(28,392)
- Finance cost	109,483	78,387
- Finance income	(463,420)	(617,020)
- Exchange loss	174,821	449,951
- Reversal of provision for stock-in-trade	-	(3,154)
- Provision for slow moving stores and spares	233	-
- Provision for staff retirement benefit plans	141,672	131,732
	712,070	664,070
<b>Changes in working capital:</b>		
- Stock-in-trade	4,995,547	5,236,469
- Stores and spares	(2,990)	(233,880)
- Trade debts	2,698	(10)
- Loans and advances	(1,037,376)	(442,026)
- Short term prepayments	(23,569)	226,689
- Other receivables	672,357	(2,978)
- Trade and other payables	(2,656,656)	(10,815,307)
- Other liabilities	280,035	(266,519)
	2,230,046	(6,297,562)
Changes in long term deposits and prepayments	(699)	2,051
	13,381,371	4,521,894

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

## for the six months period ended June 30, 2020

### 21. Financial instruments

#### 21.1 Carrying amounts and fair values

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

	June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss
	Rs '000			
<b>Financial assets measured at fair value</b>				
Short-term investment	13,322,521	-	13,322,521	3,001,058
Deposits	31,458	-	31,458	30,759
				-
<b>Financial assets not measured at fair value</b>				
Trade debts	-	1,562	1,562	4,260
Other receivables	-	1,690,675	1,690,675	2,111,891
Cash and bank balances	-	383,001	383,001	535,905
				-
	13,353,979	2,075,238	15,429,217	3,031,817
				2,652,056
				5,683,873
<b>Financial liabilities not measured at fair value</b>				
Finance lease obligation	-	(1,630,632)	(1,630,632)	(1,717,672)
Accrued interest / mark-up	-	(9,223)	(9,223)	(25,735)
Trade and other payables	-	(7,116,368)	(7,116,368)	(6,884,305)
				-
	-	(8,756,223)	(8,756,223)	(8,627,712)

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

#### 21.2 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2019.

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

for the six months period ended June 30, 2020

## 22. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2019: 94.34%) shares of the Company. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Company. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Company.

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

	Quarter ended		Half year ended	
	June 30, 2020 Rs '000	June 30, 2019 Rs '000	June 30, 2020 Rs '000	June 30, 2019 Rs '000
<b>Purchase of goods and services from</b>				
Holding company	354,789	288,804	708,018	486,892
Associated companies	1,163,504	861,506	1,609,076	1,008,548
<b>Sale of goods and services to</b>				
Associated companies	1,355,806	308,652	2,632,322	386,319
<b>Dividend</b>				
Holding company	5,562,629	5,320,775	5,562,629	5,320,775
<b>Royalty charged by</b>				
Associate companies	128,486	(1,602,731)	248,594	(1,497,543)
<b>Expenses reimbursed to</b>				
Holding company	3,699	-	16,701	-
Associated companies	11,103	-	11,103	-
<b>Expenses reimbursed by</b>				
Holding company	9,321	-	29,000	675
Associated companies	88,343	82,940	139,690	118,392
<b>Employees retirement benefit plans - expense</b>				
Staff pension fund	(29,172)	(25,281)	(29,172)	(25,281)
Staff defined contribution pension fund	30,191	28,488	56,601	54,740
Employees' gratuity fund	32,761	31,508	63,995	55,345
Management provident fund	21,377	19,610	40,710	38,129
Employees' provident fund	5,152	4,652	9,538	8,799
<b>Remuneration of key management personnel</b>	144,785	182,079	227,651	329,430

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

for the six months period ended June 30, 2020

## 23. Events after the reporting date

The Board of Directors in its meeting held on 24 July 2020 has declared the first interim dividend of Rs 15.00 (2019: Rs 13.00) per share. This interim dividend of Rs 3,832,407 thousand (2019: Rs 3,321,419 thousand) will be recorded as liability in the interim financial statements for the next quarter as required by the IAS 10 'Events after the Balance Sheet Date'. These condensed interim financial statements do not reflect this dividend.

## 24. Date of authorisation for issue

These consolidated condensed interim financial statements have been authorised for issue by the Board of Directors of the Group on 24th July, 2020.



**Usman Zahur**  
MD / Chief Executive Officer



**William Pegel**  
Chief Financial Officer / Director











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